

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

FEB 20 2012

IN THE MATTER OF

PUBLIC SERVICE
COMMISSION

APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF ITS ENVIRONMENTAL)
SURCHARGE PLAN, APPROVAL OF ITS AMENDED)
ENVIRONMENTAL COST RECOVERY) CASE NO. 2011-00401
SURCHARGE TARIFFS, AND FOR THE GRANT OF)
CERTIFICATES OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION AND)
ACQUISITION OF RELATED FACILITIES)

RESPONSES OF KENTUCKY POWER COMPANY TO
KIUC SECOND SET OF DATA REQUESTS

February 20, 2012

VERIFICATION

The undersigned, John M. McManus, being duly sworn, deposes and says he is Vice President Environmental Services for American Electric Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief

John M. McManus
John M. McManus

STATE OF OHIO)
) CASE NO. 2011-00401
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John M. McManus, this the 10 day of February 2012.

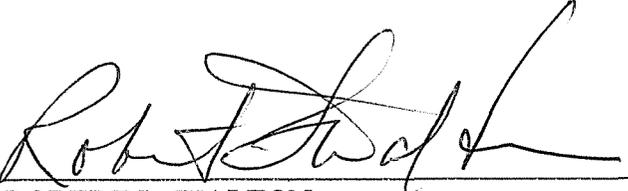
Janet White
Notary Public

JANET L. WHITE
Notary Public, State of Ohio
My Commission Expires 06-08-2013

My Commission Expires: _____

VERIFICATION

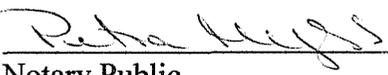
The undersigned, ROBERT L. WALTON being duly sworn, deposes and says he is Managing Director Projects and Controls for American Electric Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief


ROBERT L. WALTON

STATE OF OHIO)
) CASE NO. 2011-00401
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Robert L. Walton, this the 15 day of February 2012.




Notary Public

My Commission Expires: 5-29-2012

Kentucky Power Company

REQUEST

Refer to the Company's response to Sierra 1-28 and the SL cost estimates.

- a. Please provide the base year for the dollar estimates.
- b. Refer to SL estimate number 30711D for the dry scrubber of \$571 million excluding AFUDC. Please reconcile the Company's cost estimate in this proceeding with the referenced SL estimate. Provide the major cost differences and a detailed explanation/description of each such cost difference

RESPONSE

- a. The estimates contained within Table ES-1 are presented in nominal 2010 dollars. The estimates contained within Table ES-2 have been escalated by S&L to reflect as-spent dollars.
- b. The S&L estimate number 30711D for the dry scrubber of \$571 M reflects utilizing spray dryer absorber (SDA) technology combined with a fabric filter burning a 3 lb/mmBTU SO₂ coal and maintaining in service the existing precipitator. This estimate is not directly comparable to KPCo's proposed dry scrubber system, consisting of Alstom's proprietary NID technology with an integral fabric filter burning up to a 4.5 lb/mmBTU coal without use of the existing precipitator, because they are two different technologies.

WITNESS: Robert L Walton

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-48.

- a. Please provide a copy of all assumptions used in each of the scenarios summarized in this response.
- b. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled "Contract Revenue" represent and provide a description of how the amounts in this column were derived. Provide a copy of all assumptions and source documents relied on.
- c. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled "Market Revenue (Cost)" represent and provide a description of how the amounts in this column were derived. Provide a copy of all assumptions and computations, including, but not limited to, the mW and mWh purchased and sold and the pricing for the capacity and energy. In addition, provide a copy of all source documents relied on for pricing the purchases and sales.
- d. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled "Carrying Charges" represent and provide a description of how the amounts in this column were derived, including any levelization methodology that was used to derive the same amounts for multiple years. Provide a copy of all assumptions, computations, and source documents relied on, including the cash flows by project, the rate of return or "carrying charge" rate applied and the derivation of those rates, depreciation rates, tax rates, and all other assumptions incorporated in the amounts in this column whether by direct input or computation.
- e. Refer to the column entitled "Carrying Charges" on Attachment 1 page 3 of 12. Please explain why the amounts went up from 155,093 in the years 2020-2024 to 257,945 in the years 2025-2030, and then down to 146,766 in the years 2031-2040. Provide the computations of each of these amounts, including all assumptions and electronic workpapers with formulas intact.

- f. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled “Incremental O&M” represent and provide a description of how the amounts in this column were derived, including any specific increases included in 2040. Provide a copy of all assumptions and source documents relied on.
- g. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled “Market Value of Allowances Consumed” represent and provide a description of how the amounts in this column were derived. Provide a copy of all assumptions and source documents relied on.
- h. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled “Value of ICAP” represent and provide a description of how the amounts in this column were derived. Provide a copy of all assumptions and source documents relied on.
- i. Refer to Attachment 1 page 3 of 12. Please provide the derivation of the discount rate used to compute the CPW of the revenue requirements. Provide a copy of all assumptions, computations, and source documents relied on.
- j. Refer to Attachment 1 page 3 of 12. Please explain what the amounts in the column entitled “Capital Expenditures” represent and provide a description of how the amounts in this column were derived. In addition, please explain why the amounts in this column are the same as the amounts in the column entitled “Carrying Charges.” Provide a copy of all assumptions and source documents relied on.
- k. Refer to Attachment 1 page 11 of 12. Please explain what the amounts in the column entitled “Market Revenue (Cost)” represent and provide a description of how the amounts in this column were derived. Provide a copy of all assumptions and computations, including, but not limited to, the mW and mWh purchased and sold and the pricing for the capacity and energy. In addition, provide a copy of all source documents relied on for pricing the purchases and sales.

RESPONSE

- a. A copy of the assumptions used in each of the scenarios summarized in this response may be found in the following files on the accompanying CD:

File BS2 and NEW RESOURCE ALTERNATIVES (CONFIDENTIAL or REDACTED).PDF provides the assumptions made for the four Big Sandy alternatives and any capacity addition alternatives utilized in the Strategist analysis.

File FT-CSAPR BASE GAF (CONFIDENTIAL or REDACTED).PDF provides all of the Company's generation, transaction and market assumptions for the FT-CSAPR ('BASE') commodity price forecast.

File FT-CSAPR EARLY CARBON GAF (CONFIDENTIAL or REDACTED).PDF provides all of the Company's generation, transaction, and market assumptions for the FT-CSAPR EARLY CARBON commodity price forecast.

File FT-CSAPR HIGHER BAND GAF (CONFIDENTIAL or REDACTED).PDF provides all of the Company's generation, transaction, and market assumptions for the FT-CSAPR HIGHER BAND commodity price forecast.

File FT-CSAPR LOWER BAND GAF (CONFIDENTIAL or REDACTED).PDF provides all of the Company's generation, transaction, and market assumptions for the FT-CSAPR LOWER BAND commodity price forecast.

File FT-CSAPR NO CARBON GAF (CONFIDENTIAL or REDACTED).PDF provides all of the Company's generation, transaction, and market assumptions for the FT-CSAPR NO CARBON commodity price forecast.

File LOAD FORECAST.PDF provides all of the Company's load forecast assumptions used in the Strategist analysis.

- b. The amounts reflected in the column entitled "Contract Revenue" on Attachment 1 page 3 of 12 of the response to Staff 1-48 represent the Company's net revenue from off-system contract transactions. The Contract Revenue is derived by taking the Company's contract sales revenue less contract purchase cost less emergency energy purchase cost. The amounts in the "Contract Revenue" column were derived from outputs in the Strategist model. See response to KIUC 2.2 (a) for all assumptions and source documents.

- c. The amounts reflected in the column entitled "Market Revenue (Cost)" represent the Company's net revenue or cost from transacting with the PJM hourly energy market. The PJM hourly energy market price forecasts are developed by AEP's Fundamental Analysis group. On Attachment 1 page 3 of 12 of the response to Staff 1-48 "Market Revenue (Cost)" is derived by taking the Company's market energy sales revenue less Company's market energy purchase costs. The computations for arriving at the "Market" energy sales revenue and energy purchase costs are proprietary and confidential Strategist model algorithms. See Attachment 1 page 4 of 12 of the response to Staff 1-48 columns "Market Purchases" and "Market Sales" for amount of energy purchased and sold in the PJM hourly energy market. See response to KIUC 2.2 (a) for all assumptions and source documents. The pricing source for "Market" energy sales can be found on Attachment C of this response.

- d. The amounts reflected in the column entitled "Carrying Charges" represent Strategist model's calculation of the Company's annual levelized carrying charge attributed to the addition of emission retrofits and new generating capacity. The capital cost from Witness Weaver's testimony Table 2, along with a construction escalation, levelized fixed charge rate, and book life were input in the model. Strategist then uses a levelized capital cost amortization method to develop a stream of annual levelized carrying costs for each option. The carrying costs for these options were then summed up to arrive at the "Carrying Charges" column on Attachment 1 page 3 of 12 of the response to Staff 1-48. See response to KIUC 2.2 (a) for all assumptions and source documents.
- e. The "Carrying Charges" on Attachment 1 page 3 of 12 of the response to Staff 1-48 increase from 155,093 to 257,945 due to the addition of a combined-cycle in 2025. The values then decrease to 146,766 after the 15 year recovery of the Big Sandy 2 DFGD capital costs is completed. The computations for arriving at the "Carrying Charges" are proprietary and confidential Strategist model algorithms.
- f. The amounts reflected in the column entitled "Incremental O&M" represent a delta of the sum of fixed and variable o&m between two individual cases, the DFGD Option 1 on Attachment 1 page 3 of 12 of the response to Staff 1-48 and another case with only those additions already present in 2011. A component of the fixed o&m is ongoing capital costs which are recovered through an annual carrying charge. The increased amount in 2040 represents the "terminal" value (i.e. CPW), from the recovery of any carrying charges that would continue past 2040 for all ongoing capital costs. See the accompanying CD to the response to KIUC 2.2 (a) for all assumptions and source documents.
- g. The amounts in the column entitled "Market Value of Allowances Consumed" on Attachment 1 page 3 of 12 of the response to Staff 1-48 represent Strategist model's calculated output of Company's total emission cost. The amounts in this column were derived by Strategist. See response to KIUC 2.2 (a) for all assumptions and source documents.

- h. The amounts in the column entitled "Value of ICAP" on Attachment 1 page 3 of 12 of the response to Staff 1-48 represent the Company's revenue or cost from transacting with the PJM capacity market. The Company must maintain enough installed capacity to meet the PJM minimum reserve margin requirement. If the Company's reserve margin drops below the required PJM minimum reserve margin target, this column represents the cost of purchasing capacity from the PJM capacity market to meet that target. In addition, this column represents the revenue from selling the Company's excess capacity above the minimum reserve margin into the PJM capacity market. The price of the PJM market capacity is based on the AEP Fundamental Analysis group's forecast of AEP GEN HUB nominal capacity prices. The amounts in this column were derived by multiplying Attachment 1 page 3 of 12 columns "Surplus MW" by "ICAP Value \$/MW-wk" by the number of weeks in a year. The pricing source for "Value of ICAP" can be found on Attachment A of this response.
- i. The derivation of the discount rate used to compute the CPW of revenue requirements on Attachment 1 page 3 of 12 of the response to Staff 1-48 is AEP's weighted average cost of capital of 8.64% can be found in Attachment B of this response.
- j. The amounts in the column entitled "Capital Expenditures" represent Company's "Carrying Charges". See response to KIUC 2.2d for a description of "Carrying Charges." "Capital Expenditures" are an internal reporting break out of the "Carrying Charges." The amounts in column "Capital Expenditures" are duplicate and not a component reflected in the CPW on Attachment 1 page 3 of 12 of the response to Staff 1-48.
- k. See response to KIUC 2.2. c.

WITNESS: Scott C Weaver

Year	Capacity Prices (\$/MW-day) - Nominal \$'s AEP GEN HUB Hub Cap.
2012	55.44
2013	23.03
2014	85.05
2015	215.25
2016	281.92
2017	240.98
2018	205.39
2019	230.57
2020	261.47
2021	295.05
2022	322.18
2023	345.73
2024	364.58
2025	380.58
2026	394.61
2027	405.50
2028	413.13
2029	416.94
2030	418.16

“Fleet Transition-CSAPR: No Carbon”

Year	Capacity Prices (\$/MW-day) - Nominal \$'s AEP GEN HUB Hub Cap.
2012	55.44
2013	23.03
2014	85.05
2015	215.25
2016	281.92
2017	210.98
2018	180.39
2019	214.57
2020	243.47
2021	265.05
2022	289.18
2023	310.73
2024	329.58
2025	345.58
2026	358.61
2027	363.50
2028	370.13
2029	372.94
2030	372.16

“Fleet Transition-CSAPR: Early Carbon”

Year	Capacity Prices (\$/MW-day) - Nominal \$'s AEP GEN HUB Hub Cap.
2012	55.44
2013	23.03
2014	85.05
2015	215.25
2016	281.92
2017	199.63
2018	166.43
2019	211.40
2020	253.86
2021	293.65
2022	330.64
2023	364.68
2024	391.96
2025	405.21
2026	411.28
2027	417.45
2028	423.72
2029	430.07
2030	436.27

“Fleet Transition-CSAPR: HIGHER Band”

Year	Capacity Prices (\$/MW-day) - Nominal \$'s AEP GEN HUB Hub Cap.
2012	55.44
2013	23.03
2014	85.05
2015	215.25
2016	281.92
2017	230.85
2018	179.76
2019	186.64
2020	212.57
2021	238.70
2022	264.71
2023	288.14
2024	308.40
2025	325.58
2026	340.04
2027	350.60
2028	358.23
2029	362.96
2030	361.29

“Fleet Transition-CSAPR: LOWER Band”

Year	Capacity Prices (\$/MW-day) - Nominal \$'s AEP GEN HUB Hub Cap.
2012	55.44
2013	23.03
2014	85.05
2015	215.25
2016	281.92
2017	235.98
2018	200.39
2019	224.57
2020	253.47
2021	280.05
2022	304.18
2023	325.73
2024	344.58
2025	360.58
2026	373.61
2027	383.50
2028	390.13
2029	392.94
2030	392.16

(‘BASE’) “Fleet Transition-CSAPR”

AEP East Companies
Annual Investment Carrying Charges
For Economic Analyses

	Investment Life (Years)											
	2	3	4	5	10	15	20	25	30	33	40	50
Return (1)	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64
Depreciation (2)	48.91	31.64	23.00	17.84	7.70	4.50	3.00	2.17	1.66	1.44	1.09	0.79
FIT (3) (4)	2.43	1.76	1.89	1.58	1.51	1.83	1.91	1.69	1.54	1.48	1.37	1.27
Property Taxes, General & Admin Expenses	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97
	61.95	44.01	35.50	30.03	19.83	16.94	15.52	14.47	13.81	13.53	13.07	12.68

(1) Based on a 92% (as of 12/31/2008) and 8% incremental weighting of capital costs

(2) Sinking Fund annuity with R1 Dispersion of Retirements

(3) Assuming MACRS Tax Depreciation

(4) @ 35% Federal Income Tax Rate

Kentucky Power Company

REQUEST

Refer to Exhibit SCW-2 page 2 of 2. The pricing scenarios are based on assumptions that natural gas prices and coal prices move in the same direction even if not in direct proportion. Please provide a copy of all analyses that address a sustained lower price band (compared to the CSAPR) for natural gas prices combined with a sustained higher price band for coal prices such as the CSAPR or higher band shown on this exhibit. If the Company has not performed such an analyses or quantitative sensitivities, then please explain why it has not done so.

RESPONSE

The Company has not performed analyses or quantitative sensitivities with sustained lower natural gas prices coupled with sustained higher coal prices. The Company determined it was unnecessary to do so because coal and natural gas prices have historically been correlated, that is, coal and natural gas prices rise and fall in unison largely because of their competition and easy substitution as fuel for electric generation.

WITNESS: Karl R Bletzacker

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-12. Please provide a copy of all analyses that address the ability of the Big Sandy 2 plant to continue to operate as long as 70 years from commercial operation to retirement. Please provide a copy of all assumptions, computations, and source documents, including, but not limited to, internal correspondence. For all such analyses, provide a description of the reason the analyses was undertaken, by whom (names, positions, departments), and how the analyses was used or if it was not used.

RESPONSE

KPCo, on an annual basis, conducts a generating unit review where subject matter experts from Big Sandy Plant and AEP's Engineering Services organization produce a "Facilities Health Report." Please see the Company's response to Staff's First Set of Data Requests Item No. 39(g-h) Attachments 2 through 4 for this report. The report documents the existing conditions of significant unit components which could have a material effect on unit availability and longevity and provides recommendations to address any significant issues over a ten-year planning horizon.

With appropriate ongoing maintenance and prudent and timely capital investment, Big Sandy Unit 2 is expected to attain a 70 year service life. AEP currently either owns outright or has majority interest in 12 units that are 54-60 years old. Ten of these are being retrofit with FGD technology after 57 years of service. AEP also has an additional five units with greater than 60 years of service life, the oldest still generating after 68 years. It is not inconsistent with this experience to anticipate that Big Sandy Unit 2 could operate for an additional 28 years.

Attachment 1 of this response, for which confidential treatment is being sought, is an updated Facilities Health Report.

WITNESS: Robert L Walton

Color Definitions

Red

High Outage Probability

- Equipment Condition Poor
- Indicates high risk of equipment failure or liability requiring remedy or condition will persist/worsen
- Construction of new landfill/ash pond capacity, improvement or closure needs to occur.
- Coating systems have failed and the underlying steel (or concrete) is being damaged by corrosion
- Roof systems have failed resulting in damage to underlying structure.

Yellow

Moderate Outage Probability

- Equipment Condition Deteriorated
- Indicates when the equipment condition is unknown but there is an expectation of significant deterioration and an assessment is needed or planned
- Indicates year when a major Turbine or Generator inspection occurs or when there is a replacement of a rotor/stator, or a rotor for a Boiler Feed Pump.
- Indicates specific activity is required to assure future ash/landfill disposal. Common activities: Decisions on wet/dry disposal, environmental compliance, engineering and design permitting issues.
- Coating systems are beginning to break down and will need to be maintained within 3 years.
- Roof systems have membrane penetrations and active leaks. Nearing end of life cycle.

Green

Low Outage Probability

- Equipment Condition Normal
- No known equipment liability
- Also used if equipment is not applicable to unit
- Also used if facilities are not available on site
- Overall roof systems are intact with little or no leaks. Regular maintenance will prolong life cycle.

Orange

Indicates major outage year (generally more than 30 days)

Gray

Indicates anticipated retirement

Kentucky Power Company

REQUEST

Please provide a copy of all analyses regarding the Company's generation resource needs that addresses the acquisition of coal-fired capacity from other AEP utilities, e.g. some or all of the capacity of one or more of the Mitchell coal-fired units.

RESPONSE

Kentucky Power's analysis responsive to this request was provided in the Company's Response to Sierra Club 1-52.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-2 (a) and (b).

- a. Please provide a copy of the most recent "replacement agreement."
- b. Please provide a copy of all analyses and/or the "estimated impacts" related to the "replacement agreement." Provide all assumptions, computations, studies, reports, handouts, and internal correspondence.
- c. Please provide the net book value of each of the Mitchell units, including common facilities, at December 31, 2011.
- d. If the Company were to acquire some or all of one more of the Mitchell units, would the tax basis and the related ADIT also transfer to the Company or would the Company's tax basis be stepped up to the acquisition price?

RESPONSE

- a. See the Company's response to KPSC 2-1. Section II of KPSC 2-1 Attachment 1 contains the proposed new Power Cost Sharing Agreement.
- b. See KIUC 2-6 Attachment 1 and KIUC 2-6 Confidential Attachment 2 provided on CD for the requested analysis.

The following assumptions are included in the analysis:

Wheeling Power Company (WPCo) was merged with APCo and their hourly load obligation was included in that of APCo. The wholesale contract between Ohio Power and WPCo was terminated.

Ohio Power's share of Amos unit 3 was transferred to APCo.

Ohio Power's Mitchell units 1&2 were transferred to and split 80/20 between APCo and KPCo.

The 12 months ending October 2011 was the period included in the comparison. Company loads and generation sources were the same between the two cases (current East Pool and new PCSA) with the exception of adding the WPCo load to APCo and the generation transfer of Amos 3 and Mitchell units 1&2.

The historic actual results that occurred under the current AEP East Interconnection Agreement (East Pool) is used as the baseline for the analysis.

The same 12 months were re-settled as if the Company's proposed Power Cost Sharing Agreement (PCSA) had been in affect. The inter-company (or Pool) transactions settled as they would under Schedule B of the PCSA which is included in the Company's 2/10/2012 FERC 205 filing.

The comparison then compares the baseline of the current East Pool to the simulated results under the proposed PCSA for each of the new PCSA Member Companies.

c. See KIUC 2-6 Attachment 3 for the net book value of the Mitchell Generating Plant. Note that the investment for Mitchell Plant is maintained on a total plant basis so the investment by unit and common facilities is not available.

d. The existing tax basis of the Mitchell Generating Plant will be transferred along with the ADIT.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Refer to Staff 1-4 and the reference to the Company's Application, which notes that the Company anticipates retiring Big Sandy 1 by January 1, 2015.

- a. Under what circumstances could the Company continue to operate Big Sandy 1? For example, could it continue operating the unit if Big Sandy 2 were shut down by January 1, 2015 or by December 31, 2015? Please provide a copy of all analyses.
- b. How long could the Company continue to operate Big Sandy 1 if Big Sandy 2 were shut down by January 1, 2014 or by December 31, 2014? Please provide a copy of all analyses.
- c. How long could the Company continue to operate Big Sandy 1 if Big Sandy 2 were shut down by January 1, 2015 or by December 31, 2015? Please provide a copy of all analyses.

RESPONSE

- a. Kentucky Power will violate the Mercury and Air Toxics Standards (MATS) rule if it operates Big Sandy Unit 1 and Big Sandy Unit 2 past its compliance deadlines without the installation of updated emissions control technology. Regardless of whether Big Sandy Unit 1 or Big Sandy Unit 2 is retired, both units must be in compliance with the MATS rule by April, 2015 unless a compliance extension is granted. The MATS rule is unit specific; therefore, each unit must independently meet the requirements of the rule.
- b. See the response to part a.
- c. See the response to part a.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-5 (c).

- a. Please provide the same information for 2011.
- b. Please indicate if the actual emissions and emission limits are applied to Big Sandy 1 and 2 individually or in the aggregate.
- c. Please provide the same information for 2010 and 2011 under the assumption that Big Sandy 1 continues to operate through 2014, but Big Sandy 2 is retired.

RESPONSE

- a) The tons of NO_x and SO₂ emitted at Big Sandy Units 1 and 2 during 2011 were:

Annual NO_x (2011)

Unit 1 – 2,438.7 tons

Unit 2 – 4,190.0 tons

Annual SO₂ (2011)

Unit 1 – 11,979.4 tons

Unit 2 – 30,161.4 tons

Seasonal NO_x (2011)

Unit 1 – 901.8

Unit 2 – 1,735.3

- b) Under CSAPR, there are no "emission limits". Each affected unit is allocated an allowance budget, and that budget can be exceeded if additional allowances are secured to cover the additional emissions. Allowances are maintained in an EPA facility account which covers all affected units at a facility.
- c) Historic emissions (2010 and 2011) would not change under the scenario where Big Sandy 2 is retired and Unit 1 continues to operate.

WITNESS: John M McManus

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-6 (c).

- a. Please provide the same information for 2011.
- b. Please indicate if the actual emissions and emission limits are applied to Big Sandy 1 and 2 individually or in the aggregate.
- c. Please provide the same information for 2010 and 2011 under the assumption that Big Sandy 1 continues to operate through 2014, but Big Sandy 2 is retired.

RESPONSE

The Company assumes the reference is to Staff 1-6(b) and not Staff 1-6(c).

- a) The emissions at Big Sandy for 2011 versus the 2012 and 2014 CSAPR allocations are as follows:

Unit 1

	Annual NOx	Seasonal NOx	Annual SO ₂
2011 Emissions	2,438.7	901.8	11,979.4
2012 Allocation	1,181	523	3,399
2014 Allocation	1,070	463	1,462

Using the above data, Unit 1 exceeds the budgeted allowances as follows:

SO₂

2012 SO₂: 252.4%
2014 SO₂: 719.3%

Annual NOx

2012 AnnNOx: 106.5%
2014 AnnNOx: 127.9%

Seasonal NOx

2012 SeasNOx: 72.5%
2014 SeasNOx: 94.8%

Unit 2

	Annual NOx	Seasonal NOx	Annual SO ₂
2011 Emissions	4,190.0	1,735.3	30,161.4
2012 Allocation	4,143	1,706	11,926
2014 Allocation	3,755	1,511	5,131

Using the above data, Unit 2 exceeds the budgeted allowances as follows:

SO₂

2012 SO₂: 152.9%
2014 SO₂: 487.8%

Annual NOx

2012 AnnNOx: 1.1%
2014 AnnNOx: 11.6%

Seasonal NOx

2012 SeasNOx: 1.7%
2014 SeasNOx: 14.8%

- b) Emissions are monitored in the common stack (both units in aggregate). Emission limits in Kentucky are typically reported on an individual unit basis.
- c) The request for part c is unclear; however, based upon the Company's interpretation, historic emissions (2010 and 2011) would not change under the scenario where Big Sandy 2 is retired today and Unit 1 continues to operate.

WITNESS: John M McManus

Kentucky Power Company

REQUEST

Are the various emission allowances allocated by the U.S. EPA tied to the individual units or to the Company in the aggregate?

RESPONSE

Allowances are allocated by US EPA on an individual unit basis. However, the allowances are placed into a facility account and are used to cover facility aggregate emissions.

WITNESS: John M McManus

Kentucky Power Company

REQUEST

If Big Sandy 2 is retired, what happens to the various emission allowances allocated by the U.S. EPA that no longer will be consumed at that unit? Are they available for use by the Company or for sale to other parties?

RESPONSE

Under CSAPR, if a unit does not operate for two consecutive years, it will lose its allowance allocation beginning in the fifth year after the first year that the unit does not operate. At that time, the allowances are directed to the state's new unit set-aside budget. Until that time, a company could use the CSAPR allowances from the retired unit internally or sell to other parties.

WITNESS: John M McManus

Kentucky Power Company

REQUEST

If Big Sandy 2 is retired, provide an estimate of the number of allowances allocated by the U.S. EPA that will be available to the Company for use and/or sale by year, the market value of these allowances, and all supporting documentation for the number of allowances and the market value of these allowances.

RESPONSE

Under the current CSAPR, Big Sandy Unit 2 would receive the following allocations:

Vintage Year	SO ₂	Annual NOx	Seasonal NOx
2012	11,926	4,143	1,706
2013	11,926	4,143	1,706
2014	5,131	3,755	1,511
2015	5,131	3,755	1,511

Because the CSAPR is currently stayed, there is not a representative market for these allowances. Thus, an appropriate market value has not been established.

WITNESS: John M McManus

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-20 and revised Exhibit LPM-2.

- a. Please provide the Company estimate of the amount of environmental costs associated with the projects in this filing that will be recovered through the Company's retail base rates.
- b. Please provide the estimated filing date for the Company's next base rate increase.

RESPONSE

- a. The Company anticipates recovering the environmental costs associated with the projects in this filing through the environmental surcharge unless the projects go into effect at a time coincident with the filing of a retail base rate case.
- b. At this time, the Company does not have an estimated filing date for the next base rate case.

WITNESS: Lila P Munsey

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-45 and the Base Fleet Transition CSAPR Commodity Pricing scenario results shown on Attachment 1 page 3 of 12 to the Company's response to Staff 1-48. Is the additional station load for the DFGD reflected in the amounts in the "Fuel Cost" and/or any other columns shown on Attachment 1 page 3 of 12 to the Company's response to Staff 1-48? Please describe.

RESPONSE

Yes, the impacts of the DFGD parasitic load have been captured by reducing the capacity modeled for Big Sandy 2. The reduction in Big Sandy 2 capacity could impact the "Fuel Cost" by causing other KPCo units to run more to meet KPCo's load which would in-turn impact Incremental O&M due to changes in Variable O&M costs. However, if purchasing energy from the PJM market in any hour was more economic than increasing KPCo's generation, then Market Revenue/(Cost) could also be impacted. Any change in KPCo's generation would also impact Market Value of Allowances Consumed due to changes in unit emissions.

WITNESS: Scott C Weaver

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-45, which addresses the discontinued use of the ESPs.

- a. Please provide the gross plant, accumulated depreciation, and related ADIT of the ESPs at December 31, 2011.
- b. Please provide the annual depreciation rate and annualized depreciation expense on the ESPs using gross plant at December 31, 2011.
- c. Please provide the actual O&M expense for the ESPs by FERC O&M expense account for 2011. Further separate these amounts into fixed, variable, and consumables expense.
- d. Please provide the decommissioning and demolition cost of the ESPs and indicate if these costs are included in the Company's cost estimate for the DFGD projects.

RESPONSE

- a. The detailed ESP gross plant cost and accumulated depreciation is not readily available. Property other than mass Distribution investment in accounts 364-373 is maintained in the Company's continuing property records by record unit where the record unit is defined as the account title (the record unit for account 312, Boiler Plant Equipment is defined as "Boiler Plant Equipment"). Therefore, further detailed categorization of the equipment in this account and other Steam Generation Plant accounts is not available. FERC Order No. 598 permits utility companies to keep their property records at a record unit level and book estimated retirements.

The Company is currently developing an estimate to answer the request, however, it can not provide the estimate at this time. The Company expects to provide the information in a supplemental response no later than February 24, 2012.

- b. The annual depreciation rate for equipment in Steam Production accounts 311-316 is 3.78%. The annualized depreciation expense on the ESP's is not readily available (see the Company's response a. above).

- c. Big Sandy Unit 2 ESP O&M expense for 2011 was \$26,958 under O&M FERC account 5120000. The Company does not classify O&M expenses into fixed or variable, but traditionally it is assumed that 50% of maintenance cost is fixed and 50% is variable.

- d. The Company expects that the precipitator will not be required following the NID technology installation, and therefore would be removed as a part of this project. At this point, the costs of decommissioning and retiring the existing precipitators have not been estimated, although at current market prices the Company anticipates the scrap value will approximate the cost of decommissioning and retiring the ESP.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-46. For each modification listed provide the following information:

- a. Indicate if the modification is included in the Company's Big Sandy 2 DFGD cost estimate in this filing.
- b. Provide the amount for the modification included in the Company's Big Sandy 2 DFGD cost estimate in this filing.

RESPONSE

a & b. The costs of the nine (9) listed modifications are included in the cost estimate.

Balanced Draft Modifications are estimated to cost approximately \$63 M.

Modifications 2 through 8 are estimated to cost approximately \$99 M in total with more specific individual estimates to be developed as an activity during Phase I of the project.

Coal Yard Modifications are estimated to cost approximately \$80 M.

WITNESS: Robert L Walton

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-92. Please confirm that the Company will "recover" the costs of CSAPR allowances through the System Sales Clause only to the extent of its sharing and that any additional costs of CSAPR allowances will be recovered through base rates due to lower net OSS margins reflected in the base revenue requirement. Please explain your response.

RESPONSE

The Company recovers a portion of all approved environmental projects including allowances through the System Sales Clause. Based on revenue, the 12-month average of environmental costs, allocated to System Sales as filed in this proceeding is 10.88% as shown in the testimony of Company witness Munsey, Exhibit LPM-5, column 7. Of this percentage allocated to System Sales, only 60% is reflected in the amounts credited to or collected from the retail customers through the System Sales Clause. The remaining 40% of all environmental costs, including allowances allocated to system sales, is reflected in base rates.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Please provide an estimate of the Big Sandy 2 retrofit project costs that will be allocated to OSS and not recovered through the System Sales Clause. Provide all assumptions, computations, and workpapers, including electronic spreadsheets with formulas intact.

RESPONSE

Please see Attachments 1 and 2 of this Response. An Excel file with all computations and workpapers, with formulas intact, is provided on the enclosed CD-ROM.

The Company used its December 2011 Environmental Surcharge filing as the basis for demonstrating the allocation to OSS of its per-Application DFGD cost and associated monthly expenses.

WITNESS: Ranie K Wohnhas

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CALCULATION OF E(m) and SURCHARGE FACTOR
 For the Expense Month of December 2011

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$22,706,439
LINE 2	Brr from ES FORM 1.10	4,074,321
LINE 3	E(m) (LINE 1 - LINE 2)	\$18,632,118
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	83.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$15,464,658
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$122,928)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$15,341,730
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$15,341,730
LINE 9	KY Retail R(m) from ES FORM 3.30	\$50,620,415
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	30.3074%

1/

Effective Date for Billing: _____

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : _____

1/ Case No. 2009-00459, dated June 28, 2010

ES FORM 1.10

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 BASE PERIOD REVENUE REQUIREMENT
 For the Expense Month of December 2011

MONTHLY BASE PERIOD REVENUE REQUIREMENT

Billing Month	Base Net Environmental Costs
JANUARY	\$3,991,163
FEBRUARY	3,590,810
MARCH	3,651,374
APRIL	3,647,040
MAY	3,922,590
JUNE	3,627,274
JULY	3,805,325
AUGUST	4,088,830
SEPTEMBER	3,740,010
OCTOBER	3,260,302
NOVEMBER	2,786,040
DECEMBER	4,074,321
TOTAL	----- \$44,185,079 =====

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 For the Expense Month of December 2011

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS		
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$22,657,545
2	Second Component: Associated with Rockport Plant [((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)] ES FORM 3.20, Line 16		\$48,894
	Third Component: Net Proceeds from Emission Allowances Sales AS <ul style="list-style-type: none"> 1) SO₂ - EPA Auction Proceeds received during Expense Month 2) SO₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month Total Net Proceeds from SO₂ Allowances 1) NO_x - ERC Sales Proceeds, received during Expense Month 2) NO_x - EPA Auction Proceeds, received during Expense Month 3) NO_x - Net Gain or Loss from NO_x Allowances Sales, received during Expense Month Total Net Proceeds from NO_x Allowances 	\$0 \$0 \$0 \$0 \$0 \$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$22,706,439

ES FORM 3.10

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH BIG SANDY

For the Expense Month of December 2011

LINE NO.	COST COMPONENT		
	Return on Rate Base :		
1	Utility Plant at Original Cost	\$1,146,840,044	
2	Less Accumulated Depreciation	(\$73,795,871)	
3	Less Accum. Def. Income Taxes	(\$40,878,900)	
4	Net Utility Plant		\$1,032,165,273
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$17,044,601
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$158,405
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$237,942
8	Total Rate Base		\$1,049,606,221
9	Weighted Average Cost of Capital - ES FORM 3.15	10.69%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.89%
11	Monthly Return of Rate Base (8) * (10)		\$9,341,495
	Operating Expenses :		
12	Monthly Depreciation Expense		\$5,888,309
13	Monthly Catalyst Amortization Expense		\$46,030
14	Monthly Property Taxes		\$124,642
15	Monthly Kentucky Air Emissions Fee		\$31,701
	Monthly Environmental AEP Pool Capacity Costs		
16	from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$1,573,350
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$4,813,728
18	Monthly SO2 Emission Allowance Consumption		\$838,290
19	Total Operating Expenses [Line 12 thru Line 18]		\$13,316,050
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$22,657,545

ES FORM 3.11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 SO2 EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of December 2011

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		754,608		\$4,685,726	\$6.209
Additions -					
EPA Allowances	0	474,169	\$0	\$0	\$0.000
Gavin Reallocation	0	94,744	\$0	\$0	\$0.000
P & E Transfers In	0	327,201	\$0	\$4,855,695	\$14.840
Intercompany Purchases	41,774	109,405	\$12,341,570	\$33,456,375	\$305.803
Other (List)	0	433,206	\$0	\$67,152,857	\$155.014
SO2 Emissions Allowance Adjustment	0	4,106	\$0	(\$1,700,982)	(\$414.267)
Withdrawals -					
P & E Transfers Out	0	11,382	\$0	\$836,106	\$73.459
Intercompany Sales	0	59,987	\$0	\$4,855,950	\$80.950
Off - System Sales	0	303,050	\$0	\$29,780,273	\$98.269
SO2 Emissions Allowance Adjustment	0	0	\$0	\$0	\$0.000
SO2 Emissions Allowances Consumed By Kentucky Power - 1:1 (Year 2009 & Prior)	0		\$0		
SO2 Emissions Allowances Consumed By Kentucky Power - 2:1 (Years 2010 to 2014)	8,326	690,441	\$838,290	\$55,932,741	\$81.010
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		1,132,579		\$17,044,601	\$15.049
Expense Month Member Load Ratio for AEP/Kentucky Power					0.06598

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

ES FORM 3.12 A

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 SEASONAL NOx EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of December 2011

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		0		\$0	\$0.000
Additions -					
EPA Allowances	0	37,003	\$0	\$0	
P&E Transfers In	0	0		\$0	
Intercompany Purchases	0	0	\$0	\$0	\$0.000
Other (List)	0	0	\$0	\$0	\$0.000
Withdrawals -					
P & E Transfers Out	0	0	\$0	\$0	\$0.000
Intercompany Sales	0	0	\$0	\$0	\$0.000
Off - System Sales	0	2,425	\$0	\$0	\$0.000
ERC Consumed By Kentucky Power	0	930	\$0	\$0	\$0.000
NOx Consumed By Kentucky Power	0	23,693	\$0	\$0	\$0.000
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3 10, Line 5		9,955		\$0	\$0.000

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

Note : For any sale or transfer of ERCs or NOx emission allowances, attach to this report documentation showing the currently available market prices for similar ERC or NOx allowances.

Total Early Reduction Credits (ERC)	930
Consumed:	
June 2004	420
July 2004	510
Total Consumed	930
Remaining Early Reduction Credits (ERC)	0

ES FORM 3.12 B

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ANNUAL NOx EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of December 2011

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		0		\$0	\$0.000
Additions -					
EPA Allowances	0	44,729	\$0	\$0	\$0.000
P&E Transfers In	0	0	\$0	\$0	\$0.000
Intercompany Purchases	0	0	\$0	\$0	\$0.000
External Purchases	0	3,480	\$0	\$2,023,690	\$581.520
Other (List)	0	0	\$0	\$0	\$0.000
Withdrawals -					
P & E Transfers Out	0	0	\$0	\$0	#DIV/0!
Intercompany Sales	0	0	\$0	\$0	\$0.000
Off - System Sales	0	0	\$0	\$0	\$0.000
NOx Consumed By Kentucky Power	1,258	25,885	\$262,209	\$1,865,285	\$72.060
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		22,324		\$158,405	\$7.096

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of December 2011

	1997 Plan :		
1	Monthly Kentucky Air Emissions Fee	\$31,701	
	Total Monthly AEP Pool		
2	Environmental Capacity Costs	\$275,400	
3	Monthly SO2 Allowance Consumption	<u>\$838,290</u>	
4	Total 1997 Plan O&M Expenses		\$1,145,391
	2003 Plan :		
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$485,032	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0	
8	Monthly ERC & NOx Allowance Consumption	\$262,209	
9	Equipment - Associated Operating Expenses	\$2,167	
10	Equipment - Associated Maintenance Expenses	<u>\$8,737</u>	
11	Total 2003 Plan O&M Expenses		<u>\$758,145</u>
12	Total Monthly O&M Expenses		<u>\$1,903,536</u>
13	Cash Working Capital Allowance (Line 12 X 1/8)		\$237,942

Total Cost at Line 11 is to be recorded on ES FORM 3.10, Line 7.

**Kentucky Power Company
 Environmental Equipment Operation and Maintenance Costs
 December 2011**

Work Description	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
Ammonia on Demand (AOD)	\$2,389.00	\$0.00	\$0.00	\$2,389.00
Hydrolizer (AOD)	\$2,280.00	\$0.00	\$0.00	\$2,280.00
SCR Boiler Outlet Ductwork	\$0.00	\$461.00	\$0.00	\$461.00
SCR Acoustic Horns	\$554.00	\$0.00	(\$195.00)	\$359.00
SCR NOX Monitoring	\$209.00	\$0.00	\$0.00	\$209.00
Total SCR December 2011 O & M Expense	\$5,432.00	\$461.00	(\$195.00)	\$5,698.00
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$0.00	\$2,167.00
Emission Testing Required Under Permit -				
Operation	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance	\$3,039.00	\$0.00	\$0.00	\$3,039.00
December 2011 O & M Expenses Filed				\$10,904.00

ES FORM 3.14
 Page 1 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS

For the Expense Month of December 2011

Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$247,350		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 24)	\$168,300		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$581,400		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$5,100		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$504,900		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$48,450		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$10,200		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$2,550	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$5,100	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,565,700	\$7,650	\$1,573,350

Note: Cost in Column 5, Line 10 is to be recorded on ES FORM 3.10, Line 16.

ES FORM 3.14
 Page 2 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS
 WORKING CAPITAL ONLY

For the Expense Month of December 2011

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$360,717		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$289,495		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$6,890,170		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$15,690		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$1,760,284		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$197,607		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$13,207		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$15,625	
11	Subtotal	\$9,527,170	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	8,003,000	5,414,000	
13	Environmental Base (\$/kw)	\$1.19	\$0.01	
14	Company Surplus Weighting	91.00%	9.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$1.08	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	255,000	255,000	
17	Fixed O&M Environmental Cost to Kentucky Power	\$275,400	\$0	\$275,400

Note: Cost in Column 5, Line 17 is to be recorded on ES FORM 3.13, Line 2.

ES FORM 3.14
 Page 3 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$600,434,141
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$8,225,948
4	Ohio Power Company's Percentage Ownership - Environmental Investment	100.00%
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$8,225,948
	Operations :	
6	Disposal (5010000)	\$1,233
7	Urea (5020002)	\$153,609
8	Trona (5020003)	\$70,576
9	Lime Stone (5020004)	\$141,287
10	Air Emission Fee	\$10,292
11	Total Operations (Lines 6 thru 10)	\$376,997
	Maintenance :	
12	SCR Maintenance (5120000)	\$271,098
13	Scrubber (FGD) Maintenance (5120000)	\$57,005
14	Total Maintenance (12) + (13)	\$328,103
15	1/2 of Maintenance (14) * 50%	\$164,052
16	Fixed O&M (11) + (15)	\$541,049
17	Ohio Power Company's Percentage Ownership - O&M Cost	66.67%
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$360,717
	Total Revenue Requirement,	
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$8,586,665
20	Ohio Power Company Steam Capacity (kw)	8,003,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$1.07
22	Ohio Power Surplus Weighing	91.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.97
	Amos Unit No. 3 Costs to Kentucky Power :	
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.97
25	Kentucky Power Capacity Deficit (kw)	255,000
26	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 10, Line 1)	\$247,350

ES FORM 3.14
 Page 4 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$400,962,145
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$5,493,181
	Operations :	
4	Disposal (5010000)	\$20,706
5	Lime (5020001)	\$0
6	Urea (5020002)	\$200
7	Trona (5020003)	\$10,790
8	Lime Stone (5020004)	\$189,341
9	Air Emission Fee	<u>\$8,622</u>
10	Total Operations (Line 4 thru 8)	\$229,659
	Maintenance :	
11	SCR Maintenance (5120000)	\$444
12	Scrubber (FGD) Maintenance (5120000)	<u>\$119,228</u>
13	Total Maintenance (13) + (14)	\$119,672
14	1/2 Maintenance (15) * 50%	<u>\$59,836</u>
15	Fixed O&M (12) + (16)	<u>\$289,495</u>
	Total Revenue Requirement,	
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	<u>\$5,782,676</u>
17	Ohio Power Company's Percentage Ownership	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$5,782,676
19	Ohio Power Company Steam Capacity (kw)	8,003,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.72
21	Ohio Power Surplus Weighing	91.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.66
	Cardinal Unit No. 1 Costs to Kentucky Power :	
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.66
24	Kentucky Power Capacity Deficit (kw)	<u>255,000</u>
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 10, Line 2)	\$168,300

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - GAVIN PLANT (UNITS 1 & 2)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$964,148,720
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$13,208,837
	Operations :	
4	Sludge Disposal (5010000)	\$822,128
5	Lime (5020001)	\$3,625,177
6	Urea (5020002)	\$1,091,797
7	Trona (5020003)	\$619,699
8	Lime Stone (5020004)	\$520
9	Air Emission Fee	\$34,947
10	Lease (5070005)	\$0
11	Total Operations (Lines 4 thru 10)	\$6,194,268
	Maintenance :	
12	SCR Maintenance (5120000)	\$97,464
13	Scrubber Maintenance (5120000)	<u>\$1,294,339</u>
14	Total Maintenance (12) + (13)	\$1,391,803
15	1/2 of Maintenance (13) * 50%	\$695,902
16	Fixed O&M (11) + (15)	<u>\$6,890,170</u>
	Total Revenue Requirement,	
17	Cost Associated with Gavin Plant (3) + (17)	\$20,099,007
18	Ohio Power Company's Percentage Ownership	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$20,099,007
20	Ohio Power Company Steam Capacity (kw)	8,003,000
21	Gavin Plant (\$/kw)	\$2.51
22	Ohio Power Surplus Weighing	91.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$2.28
	Gavin Plant Costs to Kentucky Power :	
24	Gavin Plant Portion (\$/kw) (23)	\$2.28
25	Kentucky Power Capacity Deficit (kw)	<u>255,000</u>
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	
26	(ES FORM 3.14, Page 1 of 10, Line 3)	\$581,400

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$8,451,624
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$115,787
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$15,690</u>
7	Total Operations (4) + (5) + (6)	\$15,690
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$15,690</u>
	Total Revenue Requirement,	
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$131,477</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$131,477
14	Ohio Power Company Steam Capacity (kw)	8,003,000
15	Kammer Plant (\$/kw)	\$0.02
16	Ohio Power Surplus Weighing	91.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.02
	Kammer Plant Costs to Kentucky Power :	
18	Kammer Plant Portion (\$/kw) (17)	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>255,000</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 4)	\$5,100

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$1,143,093,101
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$15,660,375
	Operations :	
4	Disposal (5010000)	\$4,804
5	Urea (5020002)	\$651,904
6	Trona (5020003)	\$108,808
7	Lime Stone (5020004)	\$798,261
8	Air Emission Fee	<u>\$12,128</u>
9	Total Operations (Lines 4 thru 8)	\$1,575,905
	Maintenance :	
10	SCR Maintenance (5120000)	\$2,721
11	FDG (5120000)	<u>\$366,036</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$184,379</u>
13	Fixed O&M (9) + (12)	<u>\$1,760,284</u>
	Total Revenue Requirement,	
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$17,420,659</u>
15	Ohio Power Company's Percentage Ownership	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$17,420,659
17	Ohio Power Company Steam Capacity (kw)	8,003,000
18	Mitchell Plant (\$/kw)	\$2.18
19	Ohio Power Surplus Weighing	91.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$1.98
	Mitchell Plant Costs to Kentucky Power :	
21	Mitchell Plant Portion (\$/kw) (20)	\$1.98
22	Kentucky Power Capacity Deficit (kw)	<u>255,000</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 10, Line 5)	\$504,900

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MUSKINGUM RIVER PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$108,672,817
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,488,818
	Operations :	
4	Urea (5020002)	\$158,040
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$34,561</u>
7	Total Operations (4) + (5) + (6)	\$192,601
	Maintenance :	
8	SCR Maintenance (5120000)	\$10,011
9	1/2 of Maintenance (8) * 50%	<u>\$5,006</u>
10	Fixed O&M (7) + (9)	<u>\$197,607</u>
	Total Revenue Requirement,	
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$1,686,425</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$1,686,425
14	Ohio Power Company Steam Capacity (kw)	8,003,000
15	Muskingum Plant (\$/kw)	\$0.21
16	Ohio Power Surplus Weighing	91.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.19
	Muskingum Plant Costs to Kentucky Power :	
18	Muskingum Plant Portion (\$/kw) (17)	\$0.19
19	Kentucky Power Capacity Deficit (kw)	<u>255,000</u>
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 6)	\$48,450

ES FORM 3.14
 Page 9 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - SPORN PLANT (UNITS 2, 3, 4 & 5)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$20,310,295
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$278,251
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	\$13,207
7	Total Operations (4) + (5) + (6)	\$13,207
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	\$0
10	Fixed O&M (7) + (9)	\$13,207
	Total Revenue Requirement,	
11	Cost Associated with Sporn Plant (3) + (10)	\$291,458
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$291,458
14	Ohio Power Company Steam Capacity (kw)	8,003,000
15	Sporn Plant (\$/kw)	\$0.04
16	Ohio Power Surplus Weighing	91.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.04
	Sporn Plant Costs to Kentucky Power :	
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.04
19	Kentucky Power Capacity Deficit (kw)	255,000
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 7)	\$10,200

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHIGAN POWER COMPANY (I&M) - ROCKPORT PLANT (UNITS 1 & 2)

For the Expense Month of December 2011

LINE NO.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
1	Utility Plant at Original Cost		\$1,787,996	\$10,544,676	\$16,709,416	\$2,202,020	
2	Member Primary Capacity Investment Rate (16.44% / 12)		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base		\$24,496	\$144,462	\$228,919	\$30,168	
4	Operations :		\$0	\$0	\$0	\$0	
5	Urea (5020002)		\$0	\$0	\$0	\$0	
6	Trona (5020003)		\$15,625	\$0	\$0	\$0	
7	Air Emission Fee		\$15,625	\$0	\$0	\$0	
8	Total Operations (4) + (5) + (6)		\$0	\$0	\$0	\$0	
9	Maintenance :		\$0	\$0	\$0	\$0	
10	SCR Maintenance (5120000)		\$0	\$0	\$0	\$0	
11	1/2 of Maintenance (8) * 50%		\$0	\$0	\$0	\$0	
12	Fixed O&M (7) + (9)		\$15,625	\$0	\$0	\$0	
13	Total Revenue Requirement		\$40,121	\$144,462	\$228,919	\$30,168	
14	Cost Associated with Rockport Plant (3) + (10)		50%	85.00%	65.08%	50.00%	
15	Indiana Michigan Power Company's Percentage Ownership		\$20,061	\$122,793	\$148,980	\$15,084	
16	I&M's Share of Cost Associated with Rockport Plant (11) X (12)						
17	Total Rockport Plant Common and Units 1 & 2						\$306,918
18	Indiana Michigan Power Company Steam Capacity (kw)						5,414,000
19	Rockport Plant (\$/kw) (14) / (15)						\$0.06
20	Rockport Plant Portion of Rockport Plant /						9.00%
21	Indiana Michigan Power Surplus Weighing						\$0.01
22	Portion of Weighted Average Capacity Rate						\$0.01
23	Attributed to Rockport Plant (\$/kw) (17) X (18)						\$0.01
24	Rockport Plant Costs to Kentucky Power :						\$0.01
25	Rockport Plant Portion (\$/kw) (18)						\$0.01
26	Rockport Plant Capacity Deficit (kw)						255,000
27	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)						\$2,550
28	(ES FORM 3.14, Page 1 of 10, Line 8)						

ES FORM 3.14
 Page 11 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of December 2011

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$98,457,579
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$1,348,869
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	\$15,625
7	Total Operations (4) + (5) + (6)	\$15,625
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	\$0
10	Fixed O&M (7) + (9)	\$15,625
	Total Revenue Requirement,	
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$1,364,494
12	Indiana Michigan Power Company's Percentage Ownership	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$1,364,494
14	Indiana Michigan Power Company Steam Capacity (kw)	5,414,000
15	Tanners Creek Plant (\$/kw)	\$0.25
16	Indiana Michigan Power Surplus Weighing	9.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.02
	Tanners Creek Plant Costs to Kentucky Power :	
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.02
19	Kentucky Power Capacity Deficit (kw)	255,000
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 9)	\$5,100

ES FORM 3.15

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 BIG SANDY PLANT COST OF CAPITAL

For the Expense Month of December 2011

LINE NO.	Component	Balances	Cap. Structure	Cost Rates		WACC (Net of Tax)	GRCF	WACC (PRE-TAX)	
		As of 4/30/2010							
1	L/T DEBT	\$550,000,000	51.941%	6.48%		3.37%		3.37%	
2	S/T DEBT	\$0	0.000%	0.83%		0.00%		0.00%	
3	ACCTS REC								
3	FINANCING	\$43,588,933	4.116%	1.22%		0.05%		0.05%	
4	C EQUITY	\$465,314,088	43.943%	10.50%	1/	4.61%	1.5762	7.27%	
5	TOTAL	\$1,058,903,021	100.000%			8.03%		10.69%	
1/	WACC = Weighted Average Cost of Capital Rate of Return on Common Equity per Case No. 2010 - 00020								
2/	Gross Revenue Conversion Factor (GRCF) Calculation: Case No. 2010 - 00020 dated - April 29, 2010								
1	OPERATING REVENUE						100.0000		
2	UNCOLLECTIBLE ACCOUNTS EXPENSE (0.24%)						0.2400		
3	Kentucky Public Service Commission Assessment (0.15%)						0.1500		
4	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.6100		
5	STATE INCOME TAX EXPENSE, NET OF 199 DEDUCTION (SEE BELOW)						5.6384		
6	FEDERAL TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						93.9716		
7	199 DEDUCTION PHASE-IN						5.6372		
8	FEDERAL TAXABLE PRODUCTION INCOME						88.3344		
9	FEDERAL INCOME TAX EXPENSE AFTER 199 DEDUCTION (35%)						30.9171		
10	AFTER-TAX PRODUCTION INCOME						57.4173		
11	GROSS-UP FACTOR FOR PRODUCTION INCOME:								
12	AFTER-TAX PRODUCTION INCOME						57.4173		
13	199 DEDUCTION PHASE-IN						5.6372		
14	UNCOLLECTIBLE ACCOUNTS EXPENSE						0.2400		
15	Kentucky Public Service Commission Assessment (0.15%)						0.1500		
16	TOTAL GROSS-UP FACTOR FOR PRODUCTION INCOME (ROUNDED)						63.4445		
17	BLENDED FEDERAL AND STATE TAX RATE:								
18	FEDERAL (LINE 8)						30.9171		
19	STATE (LINE 4)						5.6384		
20	BLENDED TAX RATE						36.5555		
21	GROSS REVENUE CONVERSION FACTOR (100.0000 / Line 14)						1.5762		
	STATE INCOME TAX CALCULATION:								
1	PRE-TAX PRODUCTION INCOME						100.0000		
2	COLLECTIBLE ACCOUNTS EXPENSE (0.24%)						0.2400		
3	Kentucky Public Service Commission Assessment (0.15%)						0.1500		
4	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.6100		
5	LESS: STATE 199 DEDUCTION						5.6372		
6	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						93.9728		
7	STATE INCOME TAX RATE						6.0000		
8	STATE INCOME TAX EXPENSE (LINE 5 X LINE 6)						5.6384		

The WACC (PRE - TAX) value on Line 5 is to be recorded on ES FORM 3.10, Line 9.
 Weighted Average Cost of Capital Balances As of 4/30/2010 based on Case No. 2010-00318, dated September 7, 2010.

ES FORM 3.20

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH ROCKPORT

For the Expense Month of December 2011

LINE NO. (1)	COST COMPONENT (2)	(3)	Rockport Plant Common (4)	Unit No. 1 (5)	Unit No. 2 (6)	Total Units 1 & 2 (C5 + C6) (7)	Rockport Plant Common (8)	Total (9)
1	Return on Rate Base							
2	Rockport Plant Continuous Environmental Monitoring System (CEMS)		\$1,777,206	\$5,272,657	\$8,353,084		\$2,185,292	
3	Utility Plant at Original Cost						(\$199,810)	
4	AEGCO Low NOx Burners (LNB) Installed Cost			(\$1,497,495)	(\$2,252,476)		\$23,538	
5	Fiyash Landfill Installed Cost			(\$539,324)	(\$846,360)			
6	Less Accumulated Depreciation							
7	Total Rate Base	11.7403%	\$706,673	\$3,235,838	\$5,254,248	\$8,490,086	\$2,009,020	
8	Weighted Average Cost of Capital - ES FORM 3.21		0.9784%			0.9784%	0.9784%	
9	Monthly Weighted Avg. Cost of Capital (LINE 7 / 12)		\$6,914			\$83,067	\$19,656	
10	Monthly Return of Rate Base (Line 6 * Line 8)							
11	Operating Expenses :							
12	Monthly Depreciation Expense		\$5,212	\$15,466	\$24,502	\$39,968	\$6,410	
13	Monthly Indiana Air Emissions Fee		\$15,625	\$0	\$0	\$0	\$0	
14	Total Operating Expenses (Line 10 + Line 11)		\$20,837	\$0	\$0	\$39,968	\$6,410	
15	Total Revenue Requirement, Cost Associated with Rockport Plant		\$27,751			\$123,035	\$26,066	
16	CEMS and LNB (Line 9 + Line 12)		\$4,163			\$36,911	\$7,820	\$48,894
	Kentucky Power's Portion of Rockport's CEMS (Line 13 * 15%)							
	Kentucky Power's Portion of AEGCO's LNB and Landfill (Line 13 * 30%)							
	Kentucky Power's Portion of Rockport Plants'							
	Total Revenue Requirement. (C4, Ln 14 + C7, Ln 15 + C8, L 15)							
	Note: Cost in Column 8, Line 16 is to be Recorded on							
	ES FORM 3.00 Line 2							

ES FORM 3.21

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ROCKPORT UNIT POWER AGREEMENT COST OF CAPITAL

For the Expense Month of December 2011

LINE NO.	Component	Balances	Cap. Structures	Cost Rates		WACC (NET OF TAX)	GRCF	WACC (PRE - TAX)
		As of 12/31/2011						
1	L/T DEBT	66,487,612	41.2382%	5.3515%		2.2069%		2.2069%
2	S/T DEBT	20,027,220	12.4216%	0.4736%		0.0588%		0.0588%
3	CAPITALIZATION OFFSETS	0	0.0000%	4.2223%		0.0000%		0.0000%
4	DEBT							
5	C EQUITY	74,713,431	46.3402%	12.1600%	1/	5.6350%	1.681379	2/ 9.4746%
6	TOTAL	161,228,263	100.0000%			7.9007%		11.7403%
WACC = Weighted Average Cost of Capital 1/ Cost Rates per the Provisions of the Rockport Unit Power Agreement 2/ Gross Revenue Conversion Factor (GRCF) Calculation: 1 OPERATING REVENUE 100.00 2 LESS: INDIANA ADJUSTED GROSS INCOME 3 (LINE 1 X .085) 8.500 4 INCOME BEFORE FED INC TAX 91.500 5 LESS: FEDERAL INCOME TAX 6 (LINE 4 X .35) 32.025 7 OPERATING INCOME PERCENTAGE 59.475 8 GROSS REVENUE CONVERSION 9 FACTOR (100% / LINE 7) 1.681379								

The WACC (PRE - TAX) value on Line 6 is to be recorded on ES FORM 3.20, Line 5.

ES FORM 3.30

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 MONTHLY REVENUES, JURISDICTIONAL ALLOCATION FACTOR,
 and OVER/(UNDER) RECOVERY ADJUSTMENT

For the Expense Month of December 2011

SCHEDULE OF MONTHLY REVENUES

Line No.	Description	Monthly Revenues	Percentage of Total Revenues
1	Kentucky Retail Revenues	\$50,620,415	83.0%
2	FERC Wholesale Revenues	\$524,598	0.9%
3	Associated Utilities Revenues	\$5,272,444	8.6%
4	Non-Assoc. Utilities Revenues	\$4,557,585	7.5%
5	Total Revenues for Surcharges Purposes	\$60,975,042	100.0%
6	Non-Physical Revenues for Month	(\$121,093)	
7	Total Revenues for Month	\$60,853,949	

The Kentucky Retail Monthly Revenues and Percentage of Total Revenues (Line 1) are to be recorded on ES FORM 1.00, Lines 9 and 4. The Percentage of Kentucky Retail Revenues to the Total Revenues for the Expense Month will be the Kentucky Retail Jurisdictional Allocation Factor.

OVER/(UNDER) RECOVERY ADJUSTMENT

Line No.	Description	Amounts
1	Kentucky Retail Surcharge Factor for October 2011	1.0410%
2	Kentucky Retail Revenues for Current Expense Month	\$50,094,428
3	Surcharge Collected (1) * (2)	\$521,483
4	Surcharge Amount To Be Collected	\$398,555
5	Over / (Under) Recovery (3) - (4) = (5)	\$122,928

The Over/(Under) Recovery amount is to be recorded on ES FORM 1.00, LINE 6.

NOTE : The sign on LINE 5 of ES FORM 3.30 will be changed on LINE 6 of ES FORM 1.00 in order to properly adjust the collection of the current month's expense.

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
December 2011	December Adjusted	December As Filed	Difference	Percentage Change
<i>ES FORM 1.00</i>				
Line 1 - CRR from ES Form 3.0	22,706,439	4,744,812	17,961,627	378.55%
Line 2 - Brr from ES Form 1.10	4,074,321	4,074,321	0	0.00%
Line 3 - E(m) (Line 1 - Line 2)	18,632,118	670,491	17,961,627	2678.88%
Line 4 - Kentucky Retail Jurisdictional Allocation Factor, ES FORM 3.30 Schedule of Revenues, Line 1	83.0%	83.0%	0.00%	0.00%
Line 5 - KY Retail E (m) (Line 3 * Line 4)	15,464,658	556,508	14,908,150	2678.87%
Line 5A - Environmental Surcharge Clause Adjustment per Order in Case No. 20XX-00XXX dated	0	0	0	#DIV/0!
Line 6 - (Over) / Under Recovery Adjustment from ES Form 3.30	(122,928)	(122,928)	0	0.00%
Line 7 - Net KY Retail E (m) (Line 5 + Line 6) - Expense	15,341,730	433,580	14,908,150	3438.39%
Line 8 - Net Retail E(m) (Line 7) - Expense	15,341,730	433,580	14,908,150	3438.39%
Line 9 - KY Retail R(m) from ES Form 3.3 - Revenue	50,620,415	50,620,415	0	0.00%
Line 10 - Environmental Surcharge Factor for Expense Month (Line 8 / Line 9)	30.3074%	0.8565%	29.4509%	3438.52%
Environmental Costs				
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	18,632,118	670,491	17,961,627	
ES FORM 1.00 Line 5A (Per Order in Case No 2010-00XXX, dated)	0	0	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	(122,928)	(122,928)	0	
Total Environmental Costs	18,509,190	547,563	17,961,627	
Allocation of Environmental Costs				
Kentucky Retail Revenues	15,341,730	433,580	14,908,150	
FERC Wholesale Revenues	167,689	6,034	161,655	
Associated Utilities Revenues	1,602,362	57,662	1,544,700	
Non-Associated Utilities Revenues (Off System Sales)	1,397,409	50,287	1,347,122	
Total Environmental Costs By Revenue Category	18,509,190	547,563	17,961,627	
Environmental Costs To Be Recovered				
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	18,632,118	670,491	17,961,627	
% of Kentucky Retail Revenues to Total Revenues for Month	83.0%	83.0%		
Applicable KY Retail Environmental Costs	15,464,658	556,508	14,908,150	
ES FORM 1.00, Line 5A - Environmental Surcharge Clause Adjustment per Order in Case No. 2009 - 00316 dated January 20, 2010	0	0	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	(122,928)	(122,928)	0	
Total Environmental Costs To Be Recovered	15,341,730	433,580	14,908,150	
FERC Wholesale Revenues	0.9%	0.9%		
Associated Utilities Revenues	8.6%	8.6%		
Non-Associated Utilities Revenues (Off System Sales)	7.5%	7.5%		
<i>ES FORM 3.00</i>				
First Component: Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1	22,657,545	4,605,899	17,961,646	
Second Component: Kentucky Power Company Portion of Rockport Total Revenue Requirement, Record on ES FORM 3.20, Line 2	48,894	48,913	(19)	
Third Component: Net Gain/(Loss) from Emission Allowance Sales	0	0	0	
Total Current Period Revenue Requirement, CRR Record on ES Form 1.0	22,706,439	4,744,812	17,961,627	

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
December 2011	December Adjusted	December As Filed	Difference	Percentage Change
ES FORM 3.10				
Line 1 - Utility Plant at Original Cost	1,146,840,044	191,327,552	955,512,492	
Line 2 - Less Accumulated Depreciation	(73,795,871)	(68,484,814)	(5,311,057)	
Line 3 - Less Accum. Def. Income Taxes	(40,878,900)	(38,920,099)	(1,958,801)	
Line 4 - Net Utility Plant	1,032,165,273	83,922,639	948,242,634	
Line 5 - SO2 Emission Allowance Inventory from ES FORM 3.11	17,044,601	17,044,601	0	
Line 6 - ECR & NOx Emission Allowance Inventory from ES FORM 3.12	158,405	158,405	0	
Line 7 - Cash Working Capital Allowance from ES FORM 3.13, Line 13	232,426	232,426	0	
Line 8 - Total Rate Base	1,049,600,705	101,358,071	948,242,634	
Line 9 - Weighted Average Cost of Capital - ES FORM 3.15	10.69%	10.69%	0.00%	
Line 10 - Monthly Weighted Avg. Cost of Capital (9) / 12	0.89%	0.89%	0.00%	
Line 11 - Monthly Return of Rate Base (8) * (10)	9,341,446	902,087	8,439,359	
Operating Expenses :				
Line 12 - Monthly Depreciation Expense	5,888,309	577,252	5,311,057	
Line 13 - Monthly Catalyst Amortization Expense	46,030	46,030	0	
Line 14 - Monthly Property Taxes	124,642	13,169	111,473	
Line 15 - Monthly Kentucky Air Emissions Fee	31,701	31,701	0	
Line 16 - Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10 / Monthly Gavin Scrubber Cost from ES FORM 3.14	1,573,350	1,573,350	0	
Line 17 - Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	4,813,728	714,020	4,099,708	
Line 18 - Monthly SO2 Emission Allowance Consumption - ES FORM 3.11	838,290	838,290	0	
Line 19 - Monthly ERC & NOx Emission Allowance Consumption - ES FORM 3.12	0	0	0	
Line 20 - Total Operating Expenses [Line 12 thru Line 18]	13,316,050	3,793,812	9,522,238	
Line 21 - Total Revenue Requirement - Big Sandy - Record on ES FORM 3.00, Line 1	22,657,496	4,695,899	17,961,597	
ES FORM 3.11				
SO2 Emission Allowance Inventory	17,044,601	17,044,601	0	
SO2 Emissions Allowances Consumed By Kentucky Power	8,326	8,326	0	
SO2 Allowance Management System - EPA Allowances	0	0	0	
Gavin Reallocation	0	0	0	
P & E Transfers In	0	0	0	
SO2 Allowance Management System - Internal Purchases	0	0	0	
SO2 Allowance Management System - External Purchases	0	0	0	
Other	0	0	0	
P & E Transfers Out	0	0	0	
SO2 Allowance Management System - Internal Sales	0	0	0	
SO2 Allowance Management System - External Sales	0	0	0	
SO2 Allowance Management System - Adjustments	0	0	0	
SO2 Allowance Management System - Consumption	8,326	8,326	0	
Member Load Ratio - KPC (ES FORM 3.11)	0.06598	0.06598	0.00000	
ES FORM 3.12 A & 3.12 B				
ECR & NOx Emission Allowance Inventory (Seasonal & Annual)	158,405	158,405	0	
ECR Consumed By Kentucky Power	0	0	0	
NOx Consumed By Kentucky Power	687	687	0	
ES FORM 3.13				
1997 Plan :				
Monthly Kentucky Air Emissions Fee	31,701	31,701	0	
Total Monthly AEP Pool Environmental Capacity Costs / Monthly Gavin Scrubber Costs	275,400	275,400	0	
Monthly SO2 Allowance Consumption	838,290	838,290	0	
Total 1997 Plan O&M Expenses	1,145,391	1,145,391	0	
2003 Plan :				
Monthly Variable Cladding at Big Sandy Unit 1	0	0	0	
Monthly Urea Consumption at Big Sandy Unit 2	485,032	485,032	0	
Monthly Catalyst Replacement at Big Sandy Unit 2	0	0	0	
Monthly ERC & NOx Allowance Consumption (Seasonal & Annual)	218,084	218,084	0	
Equipment - Associated Operating Expense	2,167	2,167	0	
Equipment - Associated Maintenance Expense	8,737	8,737	0	
Total 2003 Plan O&M Expenses	714,020	714,020	0	
Total Monthly O&M Expenses	1,859,411	1,859,411	0	
Cash Working Capital Allowance (Line 10 X 1/8)	232,426	232,426	0	

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
December 2011	December Adjusted	December As Filed	Difference	Percentage Change
<i>ES FORM 3.14 (Page 1 of 11)</i>				
Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	1,573,350	1,573,350	0	
Surplus Capacity kW				
OPCo	2,031,900	2,031,900	0	
I&M	196,300	196,300	0	
CSP	0	0	0	
Total	2,228,200	2,228,200	0	
<i>Ohio Power Surplus Weighting</i>	91.00%	91.00%	0.00%	
<i>Indiana Michigan Power Surplus Weighting</i>	9.00%	9.00%	0.00%	
<i>Columbus Southern Power Surplus Weighting</i>	0.00%	0.00%	0.00%	
Kentucky Power Capacity Deficit	255,000	255,000	0	
<i>ES FORM 3.20</i>				
<i>(Costs Associated with Rockport)</i>				
Line 12 - KPC Portion of Costs Associated with Rockport, Record on ES FORM 3.00	48,913	48,913	0	
<i>ES FORM 3.30</i>				
Kentucky Retail Revenues	50,620,415	50,620,415	0	
FERC Wholesale Revenues	524,598	524,598	0	
Associated Utilities Revenues	5,272,444	5,272,444	0	
Non-Associated Utilities Revenues	4,557,585	4,557,585	0	
Physical Revenues for Month	60,975,042	60,975,042	0	
Non Physical Revenues for Month	(121,093)	(121,093)	0	
Total Revenues for Month	60,853,949	60,853,949	0	
% of Kentucky Retail Revenues to Total Revenues for Month	83.0%	83.0%	0.0%	
% of FERC Wholesale Revenues to Total Revenues for Month	0.9%	0.9%	0.0%	
% of Associated Utilities Revenues (Off System Sales) to Total Revenues for Month	8.6%	8.6%	0.0%	
% of Non Associated Utilities Revenues to Total Revenues for Month	7.5%	7.5%	0.0%	
Total	100.0%	100.0%	0.0%	
Over/(Under) Recovery Adjustment				
Kentucky Retail Surcharge Factor For - December 2011	1.0510%	1.0510%	0.0000%	
Kentucky Retail Revenues for Current Expense Month	49,617,793	49,617,793	0	
Surcharge Collected	521,483	521,483	0	
Surcharge Amount To Be Collected	398,555	398,555	0	
Over/(Under) Recovery - Record on ES FORM 1.00, Line 6	122,928	122,928	0	

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-10(c). The spreadsheet referenced simply uses a rate to compute the ADIT. There is no underlying support for that rate.

- a. Please respond to the question as originally posed and provide all components of the ADIT calculation.
- b. If, after review of the calculation in the Company's spreadsheet, the Company believes that its calculation was in error, then please provide a corrected calculation and cite to all provisions of the present tax law that were relied on to determine the amount of accelerated tax depreciation, if any.

RESPONSE

- a. The ADIT was estimated by applying a percentage to the total plant value. Please refer to page 2 of this response for the workpaper used to derive the percentage for that calculation. Also refer to the response to KIUC 2-20.
- b. The company does not believe the calculation is in error. A more precise ADIT amount will be developed when the plant is put in service.

WITNESS: Lila P Munsey

**Kentucky Power Company
 Pollution Control Environmental Facilities
 Annual Revenue Requirement
 Associated with Big Sandy Plant**

<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Total</u> (3)	<u>2016</u> (4)	<u>2017</u> (5)
<u>Return on Rate Base</u>				
1	Utility Plant Installed Net (Exhibit LPM-2, L1)	\$ 955,512,492	\$ 955,512,492	\$ 955,512,492
2	Amortizable Basis Percentage	60%		
3	Amortizable Basis (L1xL2)	\$ 573,307,495		
4	Divided by months in 5 years	60		
5	Monthly Amortization	\$ 9,555,125	\$ 9,555,125	9,555,125
6	Months in year		6	5
7	Amortization	<u>105,106,375</u>	\$ 57,330,750	\$ 47,775,625
8	Depreciable Basis (L1-L3)	\$ 382,204,997	\$ 382,204,997	\$ 382,204,997
9	Depreciation Rate		<u>0.0375</u>	<u>0.07219</u>
10	Depreciation	<u>\$ 25,829,095</u>	\$ 14,332,687	\$ 11,496,408
11	Cumulative tax deduction at 5-31-17 (L7+L10)	\$ 130,935,470		
12	Cumulative book depreciation (Exhibit LPM-2, L2)	<u>\$ 63,732,683</u>		
13	Timing Difference (L11-L12)	\$ 67,202,787		
14	FIT Rate	35%		
15	DFIT (L13xL14)	<u>\$ 23,520,975</u>	2.462%	
	Used this in filing	23,505,607	2.46%	

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-10(e). Provide the estimate requested based on the present tax law. There is no need to speculate. If the Company did not consider existing tax law and any special deductions or accelerated deductions such as 5 year depreciation in its calculation of ADIT (requested in KIUC 1-10(c), then please explain why it failed to do so and provide a corrected quantification.

RESPONSE

Under IRC section 169, as adjusted by IRC section 291(a)(4), 60% of the Big Sandy pollution control equipment is eligible for 60 month amortization commencing the month following the in service date of the pollution control equipment. The remaining 40% is classified as class 49.13 property under Rev Proc 87-56 which falls into the 20 year MACRS category. Please refer to schedule supplied in response to KIUC 2-19 for computation of estimated tax deductions used in the calculations.

WITNESS: Lila P Munsey

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-11(b).

- a. Please explain why the Company cannot provide the information requested.
- b. If the Company cannot provide the information that was requested, then does the Company agree that the referenced projects should not be allowed recovery through the ECR. Please explain your response.

RESPONSE

- a. KIUC 1-11(b) requested the "revenue requirements that presently are included in base rates related to electric plant in service that was retired during construction of ..." listed projects. The Company's base rates were established through a negotiated "black-box" settlement. In particular, Paragraph 1 of the Unanimous Settlement Agreement provided that Kentucky Power would "implement an increase in retail base rates sufficient to generate additional retail revenues of \$63.66 million..." The base rate revenue requirement resulting from the settlement was not tied to any particular plant, or value of plant, being in service. Accordingly, it is not possible to calculate the revenue requirements presently included in base rates related to subsequently retired electric plant.
- b. No, the Company does not agree. Any retirements are accounted for in the annual plant updates at the beginning of each year.

WITNESS: Lila P Munsey

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-21. The Company's response refers to its response to KPSC 1-18; however, that response does not provide the information requested by KIUC. Please provide the information originally requested in KIUC 1-21 by FERC account and month.

RESPONSE

Please see pages 2 through 9 of this response for the FERC account detail and corresponding balance sheet. The general ledger activity on page 2 opening balance plus 4/30/06 activity tie to page 5 account 1830000 month end balance.

A journal detail report is also available under KPSC 2-6.

WITNESS: Ranie K. Wohnhas

KYP CORP CONSOLIDATED
BALANCE SHEET

GLK0291V
2006

06P VZ005-04-30
02/05/2006 16:33

Layer1: 01/02/2010
Account: 01_ACS1_SEC_Business Unit REGIONAL COVS

	Year End		Difference	Month End Bal		Difference	Month End Bal		Difference
	December	2005		04	03		Previous Year	2006	
Cash	520,976	520,976	0	368,261	191,748	0	417,795	162,214	0
Temporary Investments	59,033	59,033	0	0	0	0	0	0	0
Miscellaneous Working Funds	5,000	5,000	0	5,000	0	0	5,000	0	0
Other Intercompany Adjustments	5,000	5,000	0	5,000	0	0	5,000	0	0
Working Funds	59,033	59,033	0	393,261	191,748	0	422,795	162,214	0
Cash and Cash Equivalents	525,976	525,976	0	10,437	10,437	0	5,404	0	0
Worker's Comp Adv Prc.	5,404	5,404	0	0	0	0	0	0	0
Special Deposits	5,404	5,404	0	0	0	0	0	0	0
Auction Rate Securities	5,404	5,404	0	0	0	0	0	0	0
Other Cash Deposits	5,404	5,404	0	10,437	5,033	0	5,404	0	0
Customer A/R - Electric	28,513,756	28,513,756	0	24,745,257	3,079,276	0	25,490,589	2,393,944	0
Customer A/R - CHP	9,653	9,653	0	30,397	30,397	0	7,678	(320)	0
Employee Loans - Curra	97,851	97,851	0	134,721	(32,049)	0	85,604	(3,688)	0
Transmission Sales Rec	13,776	13,776	0	6,936	6,936	0	13,392	364	0
Cust A/R - Factored	(22,933,029)	(22,933,029)	0	(20,277,533)	(2,911,294)	0	(23,548,113)	359,266	0
Cust A/R - System Sales	13,701,174	13,701,174	0	8,935,442	4,352,044	0	15,900,679	(2,513,194)	0
Cust A/R - Options & Swa	305,033	305,033	0	233,367	72,666	0	317,737	(12,703)	0
Low Inc Energy Acct Prt	891,141	891,141	0	17,588	(17,638)	0	70	260	0
Emergency LIEAP	531,544	531,544	0	95,386	435,248	0	1,056,665	(525,012)	0
Customer A/R - Est/male	118,110	118,110	0	409,582	(289,472)	0	6,919	112,181	0
Other Accounts Rec-Res	0	0	0	0	0	0	0	0	0
Coal Trading	154,502	154,502	0	67,720	466,890	0	1,483,442	(143,832)	0
Coal PeopleSoft Billing S	1,339,510	1,281,267	58,243	46,029	(46,029)	0	0	0	0
Acct Rec Gas - AEP Sys	90,320	255,749	(165,429)	15,063	15,063	0	97,033	(6,712)	0
Gas Accruals GDA Tran	64,449	1,054,566	(990,117)	0	0	0	0	64,449	0
Accrual NYMEX OTT	4,340,564	2,490,895	1,849,669	2,896,589	1,444,075	0	6,240,133	(1,099,469)	0
PJM A/R Accrual	1,116,584	837,513	279,171	981,902	134,782	0	1,046,981	68,793	0
Rentals Receivable	0	0	0	3,659,653	(3,559,653)	0	0	0	0
Accrued Util. Rev. - SEC.	26,089,590	26,532,854	(443,264)	22,801,501	3,287,079	0	28,182,895	(2,094,317)	0
Accrued Utility Revenue:	14,634,278	22,045,765	(7,411,487)	14,136,395	497,683	0	18,404,565	(3,770,287)	0
Accrd Util Rev-Factorer	(11,665,631)	(15,735,227)	4,070,546	(10,091,347)	(1,573,334)	0	(12,010,573)	2,345,881	0
Accrued Unbilled Revenues	2,669,595	6,310,539	(3,640,942)	4,045,048	(1,075,451)	0	4,399,992	(1,424,359)	0
A/R Assoc Co - InterUnit	9,919,220	17,929,204	(8,010,284)	16,491,732	(6,572,513)	0	4,330,808	5,866,412	0
A/R Assoc Co - Allowant	0	66,832	(66,832)	0	0	0	0	0	0
A/R Assoc Co - Intercont	295,955	1,075,919	(779,924)	375,532	(79,538)	0	412,645	(116,551)	0
A/R Assoc Co - Multi Prt	135	142,397	(142,397)	392	(297)	0	379	(244)	0
A/R Assoc Co - Transm	1,456,688	3,203,679	(1,744,980)	1,649,100	(190,411)	0	1,659,955	(201,265)	0
A/R Assoc Co-AEPSC-A	295,150	379,158	(84,008)	210,635	84,515	0	295,150	0	0
A/R Assoc Co - System	3,455,938	3,690	(3,880)	0	0	0	0	0	0
Fleat - B/A - A/R	672,252	(326,314)	(998,566)	486,817	(140,678)	0	563,366	(217,450)	0
Factored-A/R Cht off Lir	20,750	31,077	(10,327)	20,713	78	0	24,730	(3,939)	0
A/R Assoc Co-Realizator	278,228	0	278,228	18,750,408	(8,136,253)	0	7,287,064	278,228	0
Associated Companies	12,514,145	23,524,677	(11,010,533)	505,556	(6,136,253)	0	563,805	563,805	0
Allowances	593,806	593,806	0	153,871	(78,250)	0	0	0	0
SO2 Allowance Trading	1,591	0	1,591	0	(152,250)	0	0	1,591	0
2001 Employee Benefit	112,439	109,454	2,985	109,853	2,555	0	112,439	(383)	0
Damase Recovery - Thr	95,379	173,861	(78,483)	101,299	(5,821)	0	95,771	(393)	0
A/R - Benefits Billing	(164,814)	(247,769)	145,955	(100,854)	1,140	0	(104,814)	(6,545)	0
Accrued Broker - Power	(6,378)	0	(6,378)	0	(6,378)	0	(6,378)	(632)	0
Miscellaneous A/R	142,932	35,547	142,932	701,655	142,932	0	450,655	(213,811)	0
Uncoll Accts-Other Recce	824,946	769,999	54,947	19,512,055	(6,072,974)	0	7,741,795	370,251	0
Uncoll Accts-Power Trac	(51,727)	(546)	(546)	(219,547)	(145,972)	0	(145,972)	2,656	0
Allowances for Uncollectible Accounts	(145,972)	(145,972)	0	0	0	0	0	0	0
Accounts Receivable	42,297,658	56,256,910	(13,967,241)	46,139,056	(3,949,498)	0	40,100,311	2,161,258	0
Advances to Affiliates	7,927,604	7,927,604	0	9,941,315	(2,013,711)	0	5,923,054	2,004,549	0
Fuel Stock - Coal	15,185,502	7,792,983	7,400,919	6,720,994	8,406,979	0	10,817,773	4,369,129	0
Fuel Stock - Oil	172,951	569,040	(396,079)	276,084	(103,123)	0	440,878	(287,917)	0
Fuel Stock Coal - Intrans	522,920	522,920	0	0	0	0	0	0	0
Fuel Stock Exp Unadjst	138,165	102,817	35,348	154,153	85,929	0	434,452	89,467	0
Fuel	15,122,855	9,480,188	5,642,667	7,151,231	6,971,633	0	11,891,916	4,230,949	0

KYP CORP CONSOLIDATED
 BALANCE SHEET

GL/KD251V 2006 ESS0003 Fein	Account: GL_SCTR_SEC Business Unit: RETAIL_COP	Layer: QUITZIV	Year End		Difference	Month End Bal		Difference
			December 2005	December 2005		04 2005	03 2005	
1581003	SO2 Allowance Inventor		4,200,337	(1,281,447)	360,648	2,558,242	3,210,466	(281,536)
1581005	CO2 Allowance Inventor		13,434	3,787	1,672	15,549	17,766	(547)
	Compliance Allowances Inventory		4,213,771	(1,277,661)	362,320	2,573,791	3,228,254	(302,143)
	M&S - Regular		6,197,733	290,057	792,711	5,695,082	6,458,403	29,390
	M&S - Exempt Material		10,817	3,948	747	13,418	12,492	1,673
1540004	Materials & Supplies - U		1,619	93,404	(60,079)	2,701	188,418	21,605
1540012	Transportation Inventory		53,795	0	0	56,485	(2,701)	0
1540013	Prov Est Loss Obsolete I		(412,194)	57,744	0	(354,450)	(354,450)	0
2420556	Other Materials and Supplies		5,955,772	444,553	376,228	6,035,098	6,358,658	52,668
	Merchandise		0	0	0	0	0	0
	Stores Expense		0	(833,107)	738,548	9,566,912	9,566,912	(239,475)
	Material and Supplies		10,160,543	6,799,570	15,760,120	18,760,120	21,478,827	3,981,474
1760001	Fuel, Materials and Supplies		19,670,731	0	1,126,539	1,126,539	0	0
1760010	Cur Unreal Gns - Hedgt		0	0	0	0	0	0
1760003	SFT Asset for Commoditi		297,124	2,791,366	1,126,539	1,126,539	2,874,453	134,037
1750003	Cur. Unreal Gains - Nor		29,953,022	(12,331,269)	1,864,954	1,864,954	2,874,453	134,037
1750009	Cur. Unrealized Gains /		1,214,975	139,469	878,925	878,925	23,137,728	(5,515,976)
	SFT Option Premium Pur		12,170	(9,060)	3,947,778	3,947,778	1,176,971	177,473
	Energy Trading - MTM		31,160,167	(12,200,860)	20,640,098	20,640,098	24,317,810	(5,336,503)
1340018	Risk Management Contracts - Current		31,437,291	(9,449,494)	21,768,579	21,768,579	27,192,263	(5,204,466)
1340043	Spec Deposits - Elect Tr		5,994,197	(2,260,717)	1,405,350	2,320,130	4,617,026	(1,083,546)
1833053	Spec Deposit ABRN A		900,833	2,586,679	1,955,518	1,955,518	4,028,058	(528,546)
	Margin Deposits		7,232,991	337,962	3,360,869	3,360,869	8,045,084	(1,612,092)
	Unrecovered Fuel - Current		3,086,130	(1,029,273)	3,873,654	3,873,654	403,662	(1,659,995)
	Prepaid Insurance		303,802	311,103	593,565	593,565	403,662	(1,659,995)
	Prepaid Taxes		89,181	(170,354)	84,065	84,065	133,772	(44,591)
	Prepaid Interest		232,455	66,682	89,181	89,181	209,970	(59,166)
	Prepaid Carry Cost-Fact		77,927	(16,104)	14,355	14,355	101,771	(39,930)
	Prepayments		681,810	163,316	933,516	933,516	1,138,183	(73,059)
	Speculative Allowances		54,959	(36,829)	6,952	6,952	6,217	7,663
	Allowance Inventory and Withheld		1,908,000	(1,270,840)	73,410	563,749	543,865	(93,264)
	Billings and Deferred Pri		1,962,959	(1,303,670)	80,362	572,928	552,172	(101,117)
	NonTradition Oblion Pri		653,289	(1,309,670)	0	0	552,172	0
	Other Current Assets		180,278	(27,150)	165,709	165,709	123,241	29,887
	Prepayments and Other Current Assets		207,708	(207,708)	1,053,101	1,053,101	81,088	(81,088)
	TOTAL CURRENT-ASSETS		387,986	(334,958)	1,218,810	1,218,810	205,129	(62,001)
			3,232,755	(1,351,211)	2,232,688	2,232,688	1,895,484	(23,940)
			120,110,127	(10,863,061)	103,577,993	5,649,084	106,275,085	3,151,992
1010001	Plant in Service		1,334,465,956	11,684,880	1,319,024,794	1,319,024,794	1,341,641,370	4,840,476
1011001	Capital Leases		9,351,921	(1,099,407)	10,617,739	10,617,739	8,498,325	(31,697)
1011012	Accrued Capital Leases		11,722	(1,722)	0	0	11,055	(11,055)
1050001	Held For Full Use		6,847,676	0	6,662,819	6,662,819	6,847,676	0
1060001	Conat Net Classifi		22,451,090	(1,028,980)	48,798,495	48,798,495	23,453,873	(2,031,743)
	Electric Production		1,373,358,385	9,898,721	1,353,593,847	1,353,593,847	1,380,452,298	2,765,788
	Electric Distribution		0	0	0	0	0	0
	Electric Transmission		0	0	0	0	0	0
1210001	Nonutility Property - Owl		1,011,521	0	995,378	995,378	1,011,521	0
1240029	Other Property - CPR		4,594,074	0	4,594,074	4,594,074	4,594,074	0
	Other PPE (Gas, Oil, Nuclear Fuel)		5,605,595	0	5,590,952	5,590,952	5,605,595	0
	General Property, Plant and Equipment		5,605,595	0	5,590,952	5,590,952	5,605,595	0
	Construction Work-in-Progress		35,460,710	(15,914,652)	15,186,457	15,186,457	35,289,466	(13,743,348)
	TOTAL PROPERTY, PLANT and EQUIPMENT		1,414,426,671	(6,055,841)	1,376,281,286	1,376,281,286	1,421,347,589	(12,977,680)
	Prov- Leased Assets		(6,395,276)	969,639	(6,350,255)	(6,350,255)	(5,393,551)	(42,693)
	AP for Deprec of Pll		(415,140,853)	(408,138,949)	(823,300)	(823,300)	(823,300)	(1,387,671)
	RWIP - Project Detail		1,125,852	1,223,990	(946,893)	(946,893)	(946,893)	(390,659)
	AP for Amort of Pll		(12,250,395)	1,223,990	(9,404,261)	(9,404,261)	(10,675,915)	(1,990,267)
	Accumulated Depreciation and Amortization - Ujli		(425,658,069)	(3,137,297)	(428,795,366)	(428,795,366)	(427,187,990)	(1,596,267)
	Dep&Amrt of Nonut Prc		(163,821)	(2,223)	(157,152)	(157,152)	(163,265)	(595)
	Accumulated Depreciation and Amortization - Noi		(159,291)	2,307	(154,045)	(154,045)	(159,291)	(1,191)
	less: Accumulated Depreciation and Amortization		(428,555,124)	(3,137,764)	(429,441,051)	(429,441,051)	(427,339,049)	(1,597,075)

Account GL Acct Desc	Year End		Difference	
	December 2005	December 2006	2005	2006
NET PROPERTY, PLANT and EQUIPMENT	989,808,310	973,414,705	(9,193,605)	
Under Recovery - Fuel	0	0	0	0
SFAS 112 Post-employment	5,308,745	5,308,745	7,554	0
DSM Incentives	609,464	576,852	26,612	0
DSM Recovery	(10,941,759)	(10,415,115)	(4,256,644)	0
DSM Lost Revenues	2,900,569	2,840,890	59,679	0
DSM Program Costs	7,443,809	7,443,809	0	0
HRJ 755KV Post Service	686,466	686,466	0	0
HRJ 755KV Depreciation	140,185	140,185	0	0
Unreal Loss on Fwd Cor	1,854,668	1,854,668	0	0
Deferred Merger Cost - /	1,317,516	1,317,516	0	0
Deferred Equity Carryin	(250,959)	(250,959)	0	0
BriggsCo TO Fundings	971,074	971,074	0	0
PJM Integration Payment	423,335	423,335	0	0
Other PJM Integration	316,189	316,189	0	0
Carry Charge-RTO StartUp	214,165	214,165	0	0
Alliance RTO Deferred E	75,878,005	76,055,543	(176,538)	0
SFAS 109 Flow Thru De	25,950,000	25,950,000	991,000	0
SFAS 109 Flow Thru De	114,167,403	121,904,490	(7,737,087)	0
Regulatory Assets - NonFuel	(2,951,541)	(2,951,541)	0	0
Regulatory Assets	(2,677,631)	(2,677,631)	0	0
SFAS 109 Flow Thru De	(2,334,311)	(2,467,258)	132,946	0
SFAS 109 DFIT Reclas (A/C 254)	(5,101,942)	(5,426,898)	324,956	0
Loss Recd Debt - FMB	39,365	50,511	(11,247)	0
Loss Recd Debt-Debenium	894,492	905,700	(11,216)	0
Unamortized Loss Recquired Debt	933,958	955,319	(22,463)	0
Net Regulatory Assets	109,959,317	117,431,910	(7,472,593)	0
Securitized Transition Assets and Other:	806	806	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Consol Subs	0	0	0	0
Investments in Non-Consol Subs	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
LT Unreal Gains - Hedgt	0	0	0	0
LT Asset for Commodity	108,146	108,146	0	0
Long-Term Risk Management Assets-OCI	109,146	109,146	0	0
Long-Term Unreal Gns -	30,921,455	30,921,455	0	0
Long-Term Unreal Gain	10,972,252	10,972,252	0	0
LT Option Premium Purc	10,735	16,215	(5,480)	0
Long-Term Risk Management Assets-WTI	34,929,713	41,810,021	(6,880,308)	0
Long-Term Risk Management Assets	35,008,959	41,810,021	(6,771,162)	0
Prepaid Pension Benefit	20,007,450	20,483,255	(475,804)	0
Pension Plan	22,235	22,235	0	0
Employee Benefits and Pension Assets	20,029,666	20,505,481	(475,804)	0
Deferred Compensation	164,184	164,184	0	0
Oth Inv-Fbr Opt Ln-in Ki	185,525	187,204	(1,679)	0
Other Investments - General	350,710	351,389	(679)	0
Intangible Assets	0	0	0	0
Procurement Card - Clet	73,318	73,318	0	0
Transp-Assigned Vehicl	13,373	13,373	0	0
Clearing Accounts Expense	85,690	86,690	(1,000)	0
Unamort Debt Exp - Sr L	2,130,154	2,469,322	(339,167)	0
Unamortized Debt Expense	2,130,154	2,469,322	(339,167)	0
Deferred Property Taxes	5,005,287	7,507,903	(2,502,616)	0
Deferred Property Taxes	0	0	0	0
Deid Property Tax - Cap	27,692	27,692	0	0
Deid Property Tax - Genl	5,032,959	7,507,903	(2,474,944)	0
Allowance Inventory	6,482,407	6,530,465	(48,058)	0
CO2 Allowance Inventor	771	771	0	0
Allowances	0	0	0	0
Allowances - Non-Current	8,483,178	8,530,455	(47,277)	0
Prelimin Surv&Invest(in	20,300,322	5,077,791	15,222,531	0
Unidentified Cash Recer	(404)	(404)	0	0
Supplemental Pension A	849	849	0	0
Agency Fees - Factored	697,019	773,183	(76,168)	0
Month End Bal 04 2006	973,414,705	989,808,310	(9,193,605)	
Difference Previous Year				(9,193,605)
Month End Bal 03 2005				
Difference Previous Month				
Month End Bal 03 2006	989,808,310	989,808,310	0	
Difference Previous Year				
Month End Bal 04 2005				
Difference Previous Month				
Month End Bal 03 2006	989,808,310	989,808,310	0	
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Month End Bal 03 2005				
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Month End Bal 03 2006	989,808,310	989,808,310	0	
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Month End Bal 03 2006	989,808,310	989,808,310	0	
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Month End Bal 03 2005				
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KYP CORP CONSOLIDATED
BALANCE SHEET

Account	Year End		Month End Bal		Difference
	December	2005	04	03	
	2005	2005	2005	2005	Previous Month
236000705	173,401	(173,401)	15,901	0	10,985
236000706	0	0	0	7,387	604
236000803	(1,582)	(1,582)	74,765	(74,765)	0
236000804	715,953	(553,371)	7,055,500	(6,872,916)	7,505,241
236000805	7,597,918	(2,074)	0	11,790	0
236001204	0	(27,900)	19,434	(4,200)	12,000
236001205	22,744	(32,200)	0	0	16,528
236001206	0	47,779	0	0	0
236001606	0	0	0	0	0
236002205	0	0	0	0	0
236003304	0	(135,311)	135,311	(174,528)	0
236003305	5,077	(4,604)	174,500	472	0
236003306	0	41,540	0	41,540	0
236003504	0	0	(3,653)	0	0
236003505	0	0	3,654	0	0
236003506	0	5,000	3,654	0	0
2360037	317,095	(107,507)	0	0	1,250
2360039	4,600	(4,000)	0	0	18,249
2370006	2,267,217	2,010,523	11,223,787	(7,005,047)	(665,068)
2370007	7,433,366	1,693,967	7,117,694	317,702	(62,112)
2370008	212,395	(370,276)	197,465	14,920	53,506
2370016	1,029,010	48,336	956,002	120,944	21,363
2370018	37,979	(27,723)	21,014	10,965	7,973
2390003	9,764,076	1,394,003	0,292,145	469,331	(69,300)
2390004	7,230,679	(3,380,670)	4,155,770	3,074,910	128,616
2390005	10,611,549	(3,380,070)	4,155,770	3,074,910	128,616
2390006	11,486,113	454,507	10,387,146	1,098,967	72,148
2390007	11,031,605	484,507	10,387,146	1,098,967	72,148
2390008	18,716,792	(2,926,352)	14,542,916	4,173,876	200,994
254001103	0	0	2,238,456	0	0
254001103	0	0	2,238,456	0	0
2430001	1,291,911	0	1,433,867	0	8,228
2430003	2,931	(2,931)	0	0	(2,764)
2410001	1,291,911	1,137,740	1,433,867	(151,956)	5,464
2410002	7,929	189,773	138,567	51,205	43,263
2410003	5,103	(7,531)	64,247	25	(67,016)
2410004	326,995	(40,841)	242,516	235,968	(18,500)
2410005	99,677	99,677	80,770	18,907	91,597
2410006	666,556	(151,969)	566,147	80,419	14,122
2410006	51,488	(197,003)	44,976	6,511	7,272
2420014	1,412,521	(7,009)	1,162,301	250,220	(111,777)
2420014	555,246	51,151	0	555,246	(41,039)
2420014	555,246	51,151	0	555,246	0
2420014	400	4,107	3,769	708	2,013
2420014	1,507	4,107	4,107	2,494	2,013
2420023	1,289,639	(1,251,261)	353,200	706	148,000
2420024	267,589	(238,529)	33,559	13,371	15,000
2420035	1,668,846	(673,629)	175,848	14,054	68,000
2420020	1,508,222	(2,438,175)	562,647	121,219	231,000
2420021	2,469,175	(2,214,964)	2,056,400	1,277,222	(188,900)
2420021	656,646	(2,214,964)	740,826	2,638,075	(81,665)
2420051	3,039,531	252,520	2,807,227	3,293,036	(7,215)
2420002	34,431	34,431	(363,876)	47,520	(13,669)
2420002	67,257	5,567	(67,359)	72,769	(13,669)
2420002	7,376	584	7,347	9	125
2420002	1,507	0	198	0	620
2420015	19,749	15,284	887	19,129	620
2420016	3,652	770	3,009	942	(7)
2420017	448	0	448	0	0
2420054	104,501	19,983	76,809	104,165	746
2420051	0	(10,725)	26,092	0	0
2420052	748,653	(10,725)	875,853	719,745	28,948
2420052	748,653	(7,673)	875,853	719,745	28,948
2420052	748,653	(7,673)	875,853	719,745	28,948

KYP CORP CONSOLIDATED
 BALANCE SHEET

Account	Account	Account	Year End		Difference	Month End Bal		Difference
			December	2005		04	03	
2420076	2420076	2420076	158,732	158,732	(90,669)	67,864	58,739	9,124
2420511	2420511	2420511	1,847,395	1,847,395	(385,116)	301,434	1,075,098	377,181
2420512	2420512	2420512	473	473	(35)	(6,280)	473	(35)
2420542	2420542	2420542	74,346	74,346	0	3,458	86,653	0
242059205	242059205	242059205	2,760	2,760	1,914	(2,822)	0	(10,393)
242059206	242059206	242059206	0	0	(2,700)	2,532	0	0
24205943	24205943	24205943	0	0	2,041	0	2,845	(803)
			1,022,307	1,022,307	(508,755)	476,884	489,955	14,156
			48,035	48,035	289,520	36,668	239,555	67,950
			3,154,068	3,154,068	(734,079)	1,652,701	1,982,758	457,221
			12,957,280	12,957,280	(2,891,951)	6,969,491	8,405,145	658,564
			14,085,021	14,085,021	(2,247,781)	8,423,358	10,933,151	664,049
			181,744,281	181,744,281	(23,133,800)	66,211,270	156,775,069	7,955,807
			20,000,000	20,000,000	0	0	20,000,000	0
			20,000,000	20,000,000	0	0	20,000,000	0
			427,954,000	427,954,000	0	0	427,954,000	0
			427,964,000	427,964,000	0	0	427,964,000	0
			(571,209)	(571,209)	192,265	(34,464)	(34,460)	7,854
			(173,975)	(173,975)	31,417	(336,705)	94,250	(150,313)
			(745,084)	(745,084)	23,572	(501,173)	59,760	(525,267)
			427,216,976	427,216,976	229,672	427,392,927	427,434,733	7,654
			0	0	0	904,982	0	904,982
			91,730	91,730	0	115,272	93,967	21,303
			571,209	571,209	(192,255)	378,954	378,954	0
			662,939	662,939	(168,713)	904,662	472,921	21,305
			32,234,316	32,234,316	(6,500,956)	18,273,856	28,101,643	(2,475,874)
			2,176,545	2,176,545	(397,017)	1,268,189	540,539	82,879
			224,160	224,160	(10,000)	217,359	221,804	(4,445)
			27,691,957	27,691,957	(6,957,164)	8,109,771	30,079,195	(2,397,339)
			35,303,960	35,303,960	(7,125,876)	7,699,015	30,552,117	(2,376,034)
			(272,643)	(272,643)	(194,534)	374,150	(374,341)	(39,635)
			(15,841)	(15,841)	0	5,417,033	(12,813,072)	850,305
			(11,841,742)	(11,841,742)	(17,360,101)	9,417,384	(1,014,335)	(225,925)
			910,565	910,565	(953,629)	(370,691)	48,502	(225,925)
			(161,841)	(161,841)	(653,690)	(1,228,907)	(11,864,333)	11,633
			(683,540)	(683,540)	46,532	168,825	(828,642)	11,633
			539,658	539,658	(985,835)	12,718,979	(35,910,503)	644,679
			1,407,000	1,407,000	(26,573)	4,234,462	24,555,513	351,750
			23,500,263	23,500,263	(116,050)	2,656,940	12,975,118	(70,250)
			112,931,441	112,931,441	(26,573)	51,511,726	49,402,443	(81,740)
			49,436,753	49,436,753	88,416	(1,830,356)	1,538,903	21,604
			(1,603,718)	(1,603,718)	89,994	488,511	1,059,408	21,744
			89,994	89,994	1,001,178	69,763	73,639	(3,676)
			85,256	85,256	(15,503)	69,763	13,342,522	542,853
			12,505,043	12,505,043	(1,379,332)	(260,438)	3,432,858	(244,641)
			3,316,795	3,316,795	(128,568)	3,541,846	35,649,515	(44,014)
			35,312,039	35,312,039	283,462	(1,957,632)	26,941,000	0
			25,950,000	25,950,000	991,000	(1,162,000)	258,903,140	493,430
			261,524,876	261,524,876	4,871,694	2,808,520	238,992,636	1,338,110
			234,719,394	234,719,394	5,411,352	15,527,199	56,652,246	(7,566,650)
			5,500,190	5,500,190	(360,303)	6,332,222	5,229,963	(90,076)
			5,500,190	5,500,190	(360,303)	6,332,222	5,229,963	(90,076)
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			1,190,451	1,190,451	15,395	1,205,846	1,189,648	6,190
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			31,178,930	31,178,930	662,706	3,022,282	31,938,000	93,636
			(968,107)	(968,107)	(28,007)	(916,513)	(605,336)	(7,116)
			21,002,594	21,002,594	(7,991,007)	(4,781,637)	20,593,661	(7,562,094)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			51,293,417	51,293,417	(7,166,707)	46,602,788	51,622,283	(7,495,574)
			56,793,607	56,793,607	(7,527,071)	(3,868,421)	56,652,246	(7,566,650)
			1,1					

KYP CORP CONSOLIDATED
 BALANCE SHEET

	Year-End		Difference	Month-End Bal		Difference
	December 2005	December 2006		04 2005	03 2006	
2280003	(9,046)	(16,210)	7,164	(164,276)	155,230	(13,637)
2280005	5,316,096	5,308,742	7,354	4,559,469	5,449,656	(132,470)
2280007	0	0	0	9,522,020	0	9,522,020
2280013	214,894	190,400	24,494	60,200	210,694	4,000
	9,370	9,370	0	9,370	9,370	0
	6,013,418	6,013,418	0	14,042,017	6,192,658	(76,444)
2270001	0	0	0	0	0	0
2270003	1,758,860	2,021,833	(262,973)	2,532,925	1,641,691	(891,234)
	1,758,860	6,792	(6,792)	0	8,291	(8,291)
	97,507	2,090,824	(2,717,441)	2,532,925	1,849,682	(693,022)
	207,101	109,827	(97,274)	55,307	59,067	(1,369)
	0	211,822	(211,822)	220,661	206,231	(14,430)
	113,592	64,171	49,421	9,004	0	9,004
	169,526	197,204	(27,678)	112,344	1,737	(110,607)
	0	134	(134)	169,560	185,695	(16,135)
	604,658	593,658	11,000	565,676	646,260	(80,584)
	0	0	0	0	0	0
	2,353,516	2,514,293	(160,777)	3,118,801	2,495,642	(623,159)
	774,704,588	763,952,028	(11,752,560)	803,559,279	763,749,661	(409,618)
TOTAL NON-CURRENT LIABILITIES						
Liabilities Held for Sale	0	0	0	0	0	0
Liabilities of Discontinued Operations	0	0	0	0	0	0
TOTAL LIABILITIES	933,302,069	965,585,309	(32,283,240)	912,456,645	20,845,424	(891,611)
Cumulative Pref Stocks - Not subject Mand Redit	0	0	0	0	0	0
COMMON SHAREHOLDERS' EQUITY						
Common Stock	50,450,000	50,450,000	0	50,450,000	50,450,000	0
Paid in Capital	208,750,000	208,750,000	0	208,750,000	208,750,000	0
Premium on Capital Stock	0	0	0	0	0	0
Net Income w/o PSD	11,095,947	20,609,400	(9,513,453)	10,469,152	9,825,041	(644,111)
Div Declrd - Common St	(2,500,000)	(2,500,000)	0	0	(2,500,000)	2,500,000
Unappr Retd Eings-U	88,854,680	70,555,280	18,299,400	70,555,280	88,854,680	(18,299,400)
Div Declrd - Common St	(2,500,000)	(2,500,000)	0	0	(2,500,000)	2,500,000
Retained Earnings w/o Net Income	95,354,600	68,055,280	27,299,320	70,555,280	86,354,680	(15,799,400)
OCI - FAS 133	37,461,627	80,864,600	(43,402,973)	81,024,432	96,183,721	(15,159,289)
OCI - Minimum Pension	(29,418)	(29,418)	0	(1,592,903)	0	1,592,903
OCI for Commodity Hedi	1,257,277	(352,207)	1,609,484	9,568,932	(29,418)	(9,598,350)
Accum OCI-Hdp-CF-jnl1	129,550	159,351	(29,801)	1,257,277	1,257,277	0
Accumulated Other Comprehensive Income (Loss)	1,357,418	(223,274)	1,580,693	(11,181,453)	1,395,214	(12,572,667)
TOTAL SHAREHOLDERS' EQUITY	358,019,046	347,841,405	10,177,641	329,043,279	358,791,925	(69,748,646)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,291,321,114	1,313,427,714	(22,106,600)	1,241,499,924	1,287,287,265	(54,212,659)
out-of-balance	0	0	0	0	0	0

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-24. Please provide a three year history of the Company's monthly average daily investment in the AEP utility Money Pool.

RESPONSE

Please see pages 2-25 of this response for a three-year history of the Company's monthly average daily investment in the AEP Utility Money Pool.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company
 Schedule of Short Term Investments in the AEP Utility Money Pool
 Thirty Six Months ended December 31, 2011

Line No.	Month	Year	Invested Balance at the End of the Month
1	January	2009	
2	February	2009	
3	March	2009	
4	April	2009	
5	May	2009	
6	June	2009	
7	July	2009	\$1,663,496.87
8	August	2009	\$12,565,108.10
9	September	2009	\$4,197,299.71
10	October	2009	\$11,845,661.21
11	November	2009	\$5,787,822.31
12	December	2009	
13	January	2010	
14	February	2010	
15	March	2010	\$5,816,840.18
16	April	2010	\$1,923,895.76
17	May	2010	
18	June	2010	
19	July	2010	\$6,004,116.64
20	August	2010	\$26,887,441.07
21	September	2010	\$42,822,925.41
22	October	2010	\$50,586,821.85

Kentucky Power Company
Schedule of Short Term Investments in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Line No.	Month	Year	Invested Balance at the End of the Month
23	November	2010	\$46,413,962.80
24	December	2010	\$67,059,742.87
25	January	2011	\$82,537,833.14
26	February	2011	\$79,284,174.72
27	March	2011	\$93,436,878.10
28	April	2011	\$92,448,625.35
29	May	2011	\$97,635,959.11
30	June	2011	\$85,653,198.18
31	July	2011	\$92,334,705.63
32	August	2011	\$107,657,869.05
33	September	2011	\$95,669,330.94
34	October	2011	\$95,781,220.50
35	November	2011	\$78,463,817.93
36	December	2011	\$70,331,842.70

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	1/1/2009			
	1/2/2009			
	1/3/2009			
	1/4/2009			
	1/5/2009			
	1/6/2009			
	1/7/2009			
	1/8/2009			
	1/9/2009			
	1/10/2009			
	1/11/2009			
	1/12/2009			
	1/13/2009			
	1/14/2009			
	1/15/2009			
	1/16/2009			
	1/17/2009			
	1/18/2009			
	1/19/2009			
	1/20/2009			
	1/21/2009			
	1/22/2009			
	1/23/2009			
	1/24/2009			
	1/25/2009			
	1/26/2009			
	1/27/2009			
	1/28/2009			
	1/29/2009			
Friday	1/30/2009			
	1/31/2009			
	2/1/2009			
	2/2/2009			
	2/3/2009			
	2/4/2009			
	2/5/2009			
	2/6/2009			
	2/7/2009			
	2/8/2009			
	2/9/2009			
	2/10/2009			
	2/11/2009			
	2/12/2009			
	2/13/2009			
	2/14/2009			
	2/15/2009			
	2/16/2009			
	2/17/2009			
	2/18/2009			
	2/19/2009			
	2/20/2009			

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	2/21/2009			
	2/22/2009			
	2/23/2009			
	2/24/2009			
	2/25/2009			
	2/26/2009			
Friday	2/27/2009			
	2/28/2009			
	3/1/2009			
	3/2/2009			
	3/3/2009			
	3/4/2009			
	3/5/2009			
	3/6/2009			
	3/7/2009			
	3/8/2009			
	3/9/2009			
	3/10/2009			
	3/11/2009			
	3/12/2009			
	3/13/2009			
	3/14/2009			
	3/15/2009			
	3/16/2009			
	3/17/2009			
	3/18/2009			
	3/19/2009			
	3/20/2009			
	3/21/2009			
	3/22/2009			
	3/23/2009			
	3/24/2009			
	3/25/2009			
	3/26/2009			
	3/27/2009			
	3/28/2009			
	3/29/2009			
	3/30/2009			
Tuesday	3/31/2009			
	4/1/2009			
	4/2/2009			
	4/3/2009			
	4/4/2009			
	4/5/2009			
	4/6/2009			
	4/7/2009			
	4/8/2009			
	4/9/2009			
	4/10/2009			
	4/11/2009			
	4/12/2009			

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	4/13/2009			
	4/14/2009			
	4/15/2009			
	4/16/2009			
	4/17/2009			
	4/18/2009			
	4/19/2009			
	4/20/2009			
	4/21/2009			
	4/22/2009			
	4/23/2009			
	4/24/2009			
	4/25/2009			
	4/26/2009			
	4/27/2009			
	4/28/2009			
	4/29/2009			
Thursday	4/30/2009			
	5/1/2009			
	5/2/2009			
	5/3/2009			
	5/4/2009			
	5/5/2009			
	5/6/2009			
	5/7/2009			
	5/8/2009			
	5/9/2009			
	5/10/2009			
	5/11/2009			
	5/12/2009			
	5/13/2009			
	5/14/2009			
	5/15/2009			
	5/16/2009			
	5/17/2009			
	5/18/2009			
	5/19/2009			
	5/20/2009			
	5/21/2009			
	5/22/2009			
	5/23/2009			
	5/24/2009			
	5/25/2009			
	5/26/2009			
	5/27/2009			
	5/28/2009			
Friday	5/29/2009			
	5/30/2009			
	5/31/2009			
	6/1/2009			
	6/2/2009			

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	6/3/2009			
	6/4/2009			
	6/5/2009			
	6/6/2009			
	6/7/2009			
	6/8/2009			
	6/9/2009			
	6/10/2009			
	6/11/2009			
	6/12/2009			
	6/13/2009			
	6/14/2009			
	6/15/2009			
	6/16/2009			
	6/17/2009			
	6/18/2009			
	6/19/2009			
	6/20/2009			
	6/21/2009			
	6/22/2009			
	6/23/2009			
	6/24/2009			
	6/25/2009			
	6/26/2009			
	6/27/2009			
	6/28/2009			
	6/29/2009			
Tuesday	6/30/2009			
	7/1/2009			
	7/2/2009			
	7/3/2009			
	7/4/2009			
	7/5/2009			
	7/6/2009			
	7/7/2009			
	7/8/2009			
	7/9/2009			
	7/10/2009			
	7/11/2009			
	7/12/2009			
	7/13/2009			
	7/14/2009			
	7/15/2009	\$1,588,271.05	0.6266%	0.0010%
	7/16/2009			
	7/17/2009			
	7/18/2009			
	7/19/2009			
	7/20/2009			
	7/21/2009	\$1,777,916.60	0.6292%	0.0011%
	7/22/2009	\$3,017,478.45	0.6292%	0.0019%
	7/23/2009			

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	7/24/2009			
	7/25/2009			
	7/26/2009			
	7/27/2009			
	7/28/2009			
	7/29/2009			
Friday	7/30/2009	\$178,665.47	0.6082%	0.0001%
	7/31/2009	\$1,663,496.87	0.6104%	0.0010%
	8/1/2009	\$1,663,525.07	0.6104%	0.0010%
	8/2/2009	\$1,663,553.27	0.6104%	0.0010%
	8/3/2009	\$2,851,122.96	0.6115%	0.0017%
	8/4/2009	\$3,912,792.93	0.6115%	0.0023%
	8/5/2009	\$2,695,264.52	0.6126%	0.0016%
	8/6/2009	\$4,460,247.77	0.6126%	0.0027%
	8/7/2009	\$2,870,307.17	0.6155%	0.0017%
	8/8/2009	\$2,870,356.24	0.6155%	0.0017%
	8/9/2009	\$2,870,405.31	0.6155%	0.0017%
	8/10/2009			
	8/11/2009			
	8/12/2009			
	8/13/2009	\$11,367,612.24	0.5999%	0.0067%
	8/14/2009	\$13,381,071.64	0.5812%	0.0076%
	8/15/2009	\$13,381,287.66	0.5812%	0.0076%
8/16/2009	\$13,381,503.68	0.5812%	0.0076%	
8/17/2009	\$13,682,742.86	0.5405%	0.0072%	
8/18/2009	\$15,271,581.19	0.5235%	0.0078%	
8/19/2009	\$18,403,347.08	0.5810%	0.0104%	
8/20/2009	\$10,297,406.32	0.5791%	0.0058%	
8/21/2009	\$10,246,806.15	0.5375%	0.0054%	
8/22/2009	\$10,246,959.13	0.5375%	0.0054%	
8/23/2009	\$10,247,112.11	0.5375%	0.0054%	
8/24/2009	\$8,213,684.81	0.5287%	0.0042%	
8/25/2009	\$8,120,322.44	0.5287%	0.0042%	
8/26/2009	\$8,752,772.73	0.5387%	0.0046%	
8/27/2009	\$9,470,066.09	0.5387%	0.0050%	
8/28/2009	\$11,760,687.63	0.5352%	0.0061%	
8/29/2009	\$11,760,862.46	0.5352%	0.0061%	
8/30/2009	\$11,761,037.29	0.5352%	0.0061%	
Monday	8/31/2009	\$12,565,108.10	0.5387%	0.0066%
	9/1/2009	\$13,756,649.35	0.4787%	0.0064%
	9/2/2009	\$14,578,505.83	0.4484%	0.0064%
	9/3/2009	\$18,202,442.93	0.4607%	0.0082%
	9/4/2009	\$16,354,105.73	0.4508%	0.0072%
	9/5/2009	\$16,354,310.50	0.4508%	0.0072%
	9/6/2009	\$16,354,515.28	0.4508%	0.0072%
	9/7/2009	\$16,354,720.07	0.4508%	0.0072%
	9/8/2009	\$15,480,295.44	0.4320%	0.0065%
	9/9/2009	\$8,947,654.45	0.4287%	0.0037%
	9/10/2009	\$10,461,975.41	0.4264%	0.0044%
	9/11/2009	\$10,303,256.77	0.4334%	0.0044%
	9/12/2009	\$10,303,380.82	0.4334%	0.0044%

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Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	9/13/2009	\$10,303,504.88	0.4334%	0.0044%
	9/14/2009	\$12,500,131.73	0.4396%	0.0054%
	9/15/2009	\$3,343,400.59	0.4454%	0.0015%
	9/16/2009	\$3,192,371.23	0.4518%	0.0014%
	9/17/2009	\$3,740,594.59	0.4526%	0.0017%
	9/18/2009	\$3,430,423.25	0.4299%	0.0014%
	9/19/2009	\$3,430,464.21	0.4299%	0.0014%
	9/20/2009	\$3,430,505.17	0.4299%	0.0014%
	9/21/2009	\$9,162,179.34	0.4303%	0.0038%
	9/22/2009	\$5,497,739.15	0.4464%	0.0024%
	9/23/2009	\$6,370,257.49	0.4384%	0.0027%
	9/24/2009			
	9/25/2009			
	9/26/2009			
	9/27/2009			
	9/28/2009	\$3,748,894.97	0.2781%	0.0010%
	9/29/2009	\$4,888,514.67	0.2780%	0.0013%
Wednesday	9/30/2009	\$4,197,299.71	0.2793%	0.0011%
	10/1/2009	\$4,777,432.16	0.2944%	0.0014%
	10/2/2009	\$4,629,884.02	0.2846%	0.0013%
	10/3/2009	\$4,629,920.63	0.2846%	0.0013%
	10/4/2009	\$4,629,957.23	0.2846%	0.0013%
	10/5/2009			
	10/6/2009	\$616,054.17	0.2644%	0.0002%
	10/7/2009			
	10/8/2009	\$4,947,424.31	0.2213%	0.0011%
	10/9/2009	\$4,646,835.40	0.2239%	0.0010%
	10/10/2009	\$4,646,864.31	0.2239%	0.0010%
	10/11/2009	\$4,646,893.21	0.2239%	0.0010%
	10/12/2009	\$4,646,922.11	0.2239%	0.0010%
	10/13/2009	\$6,464,197.95	0.2135%	0.0013%
	10/14/2009	\$10,407,484.58	0.2251%	0.0023%
	10/15/2009	\$10,488,589.57	0.2328%	0.0024%
	10/16/2009	\$11,026,788.43	0.2320%	0.0025%
	10/17/2009	\$11,026,859.50	0.2320%	0.0025%
	10/18/2009	\$11,026,930.56	0.2320%	0.0025%
	10/19/2009	\$12,073,025.84	0.2249%	0.0027%
	10/20/2009	\$9,039,832.51	0.2163%	0.0019%
	10/21/2009	\$10,569,100.92	0.2040%	0.0021%
	10/22/2009	\$5,860,819.01	0.2236%	0.0013%
	10/23/2009	\$4,467,840.12	0.2030%	0.0009%
	10/24/2009	\$4,467,865.31	0.2030%	0.0009%
	10/25/2009	\$4,467,890.49	0.2030%	0.0009%
	10/26/2009	\$4,518,030.33	0.2026%	0.0009%
	10/27/2009	\$5,932,706.76	0.2068%	0.0012%
	10/28/2009	\$6,920,516.31	0.2014%	0.0014%
	10/29/2009	\$12,127,794.57	0.2086%	0.0025%
Friday	10/30/2009	\$11,845,661.21	0.1998%	0.0023%
	10/31/2009	\$11,845,726.96	0.1998%	0.0023%
	11/1/2009	\$11,845,792.72	0.1998%	0.0023%
	11/2/2009	\$11,387,214.40	0.2045%	0.0023%

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	11/3/2009	\$12,670,978.44	0.1995%	0.0025%
	11/4/2009	\$5,495,403.56	0.1929%	0.0010%
	11/5/2009	\$12,217,737.22	0.1918%	0.0023%
	11/6/2009	\$11,959,572.29	0.1823%	0.0021%
	11/7/2009	\$11,959,632.85	0.1823%	0.0021%
	11/8/2009	\$11,959,693.40	0.1823%	0.0021%
	11/9/2009	\$5,863,189.43	0.1913%	0.0011%
	11/10/2009	\$5,737,963.13	0.1913%	0.0011%
	11/11/2009	\$5,737,993.62	0.1913%	0.0011%
	11/12/2009	\$8,294,457.18	0.1826%	0.0015%
	11/13/2009	\$10,311,005.09	0.1888%	0.0019%
	11/14/2009	\$10,311,059.15	0.1888%	0.0019%
	11/15/2009	\$10,311,113.22	0.1888%	0.0019%
	11/16/2009	\$11,386,367.10	0.1861%	0.0021%
	11/17/2009	\$16,653,327.97	0.1878%	0.0031%
	11/18/2009	\$19,775,437.47	0.1881%	0.0036%
	11/19/2009	\$11,838,517.45	0.1891%	0.0022%
	11/20/2009			
	11/21/2009			
	11/22/2009			
	11/23/2009	\$428,099.06	0.1996%	0.0001%
	11/24/2009	\$2,067,906.80	0.1932%	0.0004%
	11/25/2009	\$826,325.00	0.1922%	0.0002%
	11/26/2009	\$826,329.41	0.1922%	0.0002%
	11/27/2009	\$925,066.38	0.1922%	0.0002%
	11/28/2009	\$925,071.31	0.1922%	0.0002%
	11/29/2009	\$925,076.25	0.1922%	0.0002%
Monday	11/30/2009	\$5,787,822.31	0.1761%	0.0010%
	12/1/2009	\$3,037,886.04	0.1781%	0.0005%
	12/2/2009	\$3,462,163.37	0.3890%	0.0013%
	12/3/2009	\$5,718,642.71	0.1586%	0.0009%
	12/4/2009	\$8,774,804.66	0.1658%	0.0014%
	12/5/2009	\$8,774,845.09	0.1658%	0.0014%
	12/6/2009	\$8,774,885.51	0.1658%	0.0014%
	12/7/2009	\$590,123.92	0.1690%	0.0001%
	12/8/2009	\$1,587,256.62	0.1661%	0.0003%
	12/9/2009	\$3,172,333.15	0.1525%	0.0005%
	12/10/2009	\$4,100,876.26	0.1609%	0.0006%
	12/11/2009	\$3,364,703.15	0.1707%	0.0006%
	12/12/2009	\$3,364,719.10	0.1707%	0.0006%
	12/13/2009	\$3,364,735.06	0.1707%	0.0006%
	12/14/2009	\$4,969,719.01	0.1715%	0.0008%
	12/15/2009	\$10,535,997.42	0.1729%	0.0018%
	12/16/2009	\$11,682,854.53	0.1742%	0.0020%
	12/17/2009	\$8,850,795.44	0.1735%	0.0015%
	12/18/2009			
	12/19/2009			
	12/20/2009			
	12/21/2009			
	12/22/2009			
	12/23/2009			

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	12/24/2009			
	12/25/2009			
	12/26/2009			
	12/27/2009			
	12/28/2009	\$191,311.65	0.2171%	0.0000%
	12/29/2009	\$1,370,263.38	0.2179%	0.0003%
	12/30/2009	\$1,883,897.51	0.2166%	0.0004%
Thursday	12/31/2009			
	1/1/2010			
	1/2/2010			
	1/3/2010			
	1/4/2010			
	1/5/2010			
	1/6/2010			
	1/7/2010	\$3,073,899.84	0.1489%	0.0001%
	1/8/2010	\$3,323,642.51	0.1401%	0.0001%
	1/9/2010	\$3,323,655.44	0.1401%	0.0001%
	1/10/2010	\$3,323,668.38	0.1401%	0.0001%
	1/11/2010			
	1/12/2010			
	1/13/2010			
	1/14/2010			
	1/15/2010			
	1/16/2010			
	1/17/2010			
	1/18/2010			
	1/19/2010	\$29,882.28	0.1447%	0.0000%
	1/20/2010			
	1/21/2010			
	1/22/2010			
	1/23/2010			
	1/24/2010			
	1/25/2010			
	1/26/2010	\$494,972.75	0.1406%	0.0000%
	1/27/2010	\$1,203,028.10	0.1372%	0.0000%
	1/28/2010			
Friday	1/29/2010			
	1/30/2010			
	1/31/2010			
	2/1/2010			
	2/2/2010			
	2/3/2010			
	2/4/2010			
	2/5/2010			
	2/6/2010			
	2/7/2010			
	2/8/2010			
	2/9/2010			
	2/10/2010			
	2/11/2010			
	2/12/2010			

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	2/13/2010			
	2/14/2010			
	2/15/2010			
	2/16/2010	\$2,861,149.81	0.1632%	0.0001%
	2/17/2010	\$4,151,942.73	0.1638%	0.0001%
	2/18/2010	\$945,643.47	0.1568%	0.0000%
	2/19/2010			
	2/20/2010			
	2/21/2010			
	2/22/2010	\$2,470,051.32	0.1559%	0.0001%
	2/23/2010	\$4,610,499.26	0.1511%	0.0001%
	2/24/2010	\$730,799.35	0.1688%	0.0000%
	2/25/2010			
Friday	2/26/2010			
	2/27/2010			
	2/28/2010			
	3/1/2010			
	3/2/2010			
	3/3/2010			
	3/4/2010	\$6,855,839.26	0.1233%	0.0001%
	3/5/2010	\$7,401,681.34	0.1233%	0.0002%
	3/6/2010	\$7,401,706.69	0.1233%	0.0002%
	3/7/2010	\$7,401,732.05	0.1233%	0.0002%
	3/8/2010			
	3/9/2010	\$1,520,976.15	0.0913%	0.0000%
	3/10/2010	\$1,275,212.23	0.0965%	0.0000%
	3/11/2010	\$765,536.50	0.0988%	0.0000%
	3/12/2010	\$8,482,891.24	0.1144%	0.0002%
	3/13/2010	\$8,482,918.20	0.1144%	0.0002%
	3/14/2010	\$8,482,945.15	0.1144%	0.0002%
	3/15/2010			
	3/16/2010			
	3/17/2010	\$1,854,829.19	0.1156%	0.0000%
	3/18/2010			
	3/19/2010			
	3/20/2010			
	3/21/2010			
	3/22/2010	\$1,512,621.23	0.1259%	0.0000%
	3/23/2010	\$5,017,994.43	0.1254%	0.0001%
	3/24/2010	\$6,164,563.14	0.1300%	0.0001%
	3/25/2010	\$2,722,621.97	0.1221%	0.0001%
	3/26/2010	\$2,809,993.00	0.1437%	0.0001%
	3/27/2010	\$2,810,004.23	0.1437%	0.0001%
	3/28/2010	\$2,810,015.45	0.1437%	0.0001%
	3/29/2010	\$3,851,059.37	0.1478%	0.0001%
	3/30/2010	\$1,217,555.40	0.1494%	0.0000%
Wednesday	3/31/2010	\$5,816,840.18	0.1479%	0.0001%
	4/1/2010	\$2,847,765.04	0.1574%	0.0001%
	4/2/2010	\$27,762.21	0.1574%	0.0000%
	4/3/2010	\$27,762.32	0.1574%	0.0000%
	4/4/2010	\$27,762.44	0.1574%	0.0000%

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Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	4/5/2010			
	4/6/2010			
	4/7/2010	\$1,495,969.21	0.3453%	0.0001%
	4/8/2010	\$3,057,580.94	0.1420%	0.0001%
	4/9/2010			
	4/10/2010			
	4/11/2010			
	4/12/2010			
	4/13/2010			
	4/14/2010	\$2,947,638.80	0.1277%	0.0001%
	4/15/2010	\$1,903,836.94	0.1312%	0.0000%
	4/16/2010	\$6,191,402.67	0.1994%	0.0002%
	4/17/2010	\$6,191,436.97	0.1994%	0.0002%
	4/18/2010	\$6,191,471.26	0.1994%	0.0002%
	4/19/2010	\$7,458,530.93	0.1887%	0.0002%
	4/20/2010	\$5,727,023.41	0.2061%	0.0002%
	4/21/2010	\$105,050.20	0.2032%	0.0000%
	4/22/2010			
	4/23/2010			
	4/24/2010			
	4/25/2010			
	4/26/2010			
	4/27/2010			
	4/28/2010	\$23,203.03	0.1426%	0.0000%
	4/29/2010	\$224,353.07	0.1426%	0.0000%
Friday	4/30/2010	\$1,923,895.76	0.1439%	0.0000%
	5/1/2010	\$1,923,903.44	0.1439%	0.0000%
	5/2/2010	\$1,923,911.13	0.1439%	0.0000%
	5/3/2010	\$2,086,334.25	0.2062%	0.0001%
	5/4/2010	\$1,634,172.53	0.2111%	0.0001%
	5/5/2010			
	5/6/2010	\$1,199,928.69	0.2140%	0.0000%
	5/7/2010	\$1,234,042.57	0.2140%	0.0000%
	5/8/2010	\$1,234,049.90	0.2140%	0.0000%
	5/9/2010	\$1,234,057.23	0.2140%	0.0000%
	5/10/2010			
	5/11/2010	\$311,466.64	0.1922%	0.0000%
	5/12/2010	\$749,528.83	0.1993%	0.0000%
	5/13/2010			
	5/14/2010	\$4,462,576.92	0.2259%	0.0002%
	5/15/2010	\$4,462,604.92	0.2259%	0.0002%
	5/16/2010	\$4,462,632.92	0.2259%	0.0002%
	5/17/2010	\$6,371,419.36	0.2288%	0.0003%
	5/18/2010	\$8,561,845.37	0.2151%	0.0003%
	5/19/2010	\$5,508,807.92	0.3567%	0.0003%
	5/20/2010			
	5/21/2010			
	5/22/2010			
	5/23/2010			
	5/24/2010			
	5/25/2010			

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	5/26/2010			
	5/27/2010			
Friday	5/28/2010			
	5/29/2010			
	5/30/2010			
	5/31/2010			
	6/1/2010			
	6/2/2010			
	6/3/2010			
	6/4/2010			
	6/5/2010			
	6/6/2010			
	6/7/2010			
	6/8/2010			
	6/9/2010			
	6/10/2010			
	6/11/2010			
	6/12/2010			
	6/13/2010			
	6/14/2010			
	6/15/2010			
	6/16/2010			
	6/17/2010			
	6/18/2010			
	6/19/2010			
	6/20/2010			
	6/21/2010			
	6/22/2010			
	6/23/2010			
	6/24/2010			
	6/25/2010			
	6/26/2010			
	6/27/2010			
	6/28/2010			
	6/29/2010			
Wednesday	6/30/2010			
	7/1/2010			
	7/2/2010			
	7/3/2010			
	7/4/2010			
	7/5/2010			
	7/6/2010			
	7/7/2010			
	7/8/2010			
	7/9/2010			
	7/10/2010			
	7/11/2010			
	7/12/2010			
	7/13/2010			
	7/14/2010			
	7/15/2010			

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	7/16/2010			
	7/17/2010			
	7/18/2010			
	7/19/2010			
	7/20/2010			
	7/21/2010			
	7/22/2010			
	7/23/2010			
	7/24/2010			
	7/25/2010			
	7/26/2010			
	7/27/2010			
	7/28/2010	\$875,868.36	0.2544%	0.0000%
	7/29/2010	\$2,632,896.77	0.2503%	0.0001%
Friday	7/30/2010	\$6,004,116.64	0.2499%	0.0003%
	7/31/2010	\$6,004,158.32	0.2499%	0.0003%
	8/1/2010	\$6,004,200.00	0.2499%	0.0003%
	8/2/2010	\$7,055,029.50	0.2510%	0.0003%
	8/3/2010	\$7,643,967.04	0.2656%	0.0003%
	8/4/2010	\$6,074,973.31	0.2623%	0.0003%
	8/5/2010	\$13,444,410.54	0.2429%	0.0006%
	8/6/2010	\$15,197,546.91	0.2334%	0.0006%
	8/7/2010	\$15,197,645.42	0.2334%	0.0006%
	8/8/2010	\$15,197,743.93	0.2334%	0.0006%
	8/9/2010	\$7,506,537.62	0.2382%	0.0003%
	8/10/2010	\$9,667,317.58	0.2294%	0.0004%
	8/11/2010	\$12,625,252.57	0.2338%	0.0005%
	8/12/2010	\$14,137,364.45	0.2372%	0.0006%
	8/13/2010	\$19,482,045.10	0.2349%	0.0008%
	8/14/2010	\$19,482,172.20	0.2349%	0.0008%
	8/15/2010	\$19,482,299.30	0.2349%	0.0008%
	8/16/2010	\$22,531,835.99	0.2343%	0.0009%
	8/17/2010	\$26,234,117.41	0.2448%	0.0011%
	8/18/2010	\$29,024,870.27	0.2465%	0.0012%
	8/19/2010	\$22,004,095.39	0.2490%	0.0009%
	8/20/2010	\$21,154,942.77	0.2546%	0.0009%
	8/21/2010	\$21,155,092.36	0.2546%	0.0009%
	8/22/2010	\$21,155,241.95	0.2546%	0.0009%
	8/23/2010	\$30,051,189.83	0.2572%	0.0013%
	8/24/2010	\$31,820,520.81	0.2564%	0.0014%
	8/25/2010	\$32,906,604.78	0.2527%	0.0014%
	8/26/2010	\$33,911,789.39	0.2528%	0.0015%
	8/27/2010	\$28,798,079.57	0.2459%	0.0012%
	8/28/2010	\$28,798,276.31	0.2459%	0.0012%
	8/29/2010	\$28,798,473.04	0.2459%	0.0012%
	8/30/2010	\$29,707,419.42	0.2511%	0.0013%
Tuesday	8/31/2010	\$26,887,441.07	0.2554%	0.0012%
	9/1/2010	\$27,535,920.74	0.2475%	0.0012%
	9/2/2010	\$26,863,698.86	0.2395%	0.0011%
	9/3/2010	\$21,200,551.34	0.2180%	0.0008%
	9/4/2010	\$21,200,679.73	0.2180%	0.0008%

Kentucky Power Company
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Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	9/5/2010	\$21,200,808.12	0.2180%	0.0008%
	9/6/2010	\$21,200,936.52	0.2180%	0.0008%
	9/7/2010	\$23,790,721.69	0.2196%	0.0009%
	9/8/2010	\$29,149,313.33	0.2249%	0.0011%
	9/9/2010	\$26,010,359.83	0.2320%	0.0010%
	9/10/2010	\$24,824,439.30	0.2263%	0.0010%
	9/11/2010	\$24,824,595.37	0.2263%	0.0010%
	9/12/2010	\$24,824,751.45	0.2263%	0.0010%
	9/13/2010	\$27,479,253.76	0.2325%	0.0011%
	9/14/2010	\$29,675,992.06	0.2365%	0.0012%
	9/15/2010	\$18,406,995.09	0.4328%	0.0014%
	9/16/2010	\$17,544,158.14	0.2667%	0.0008%
	9/17/2010	\$24,816,070.21	0.2626%	0.0011%
	9/18/2010	\$24,816,251.22	0.2626%	0.0011%
	9/19/2010	\$24,816,432.24	0.2626%	0.0011%
	9/20/2010	\$22,609,148.67	0.2550%	0.0010%
	9/21/2010	\$28,895,773.34	0.2584%	0.0013%
	9/22/2010	\$31,146,656.92	0.2536%	0.0014%
	9/23/2010	\$21,115,417.30	0.2459%	0.0009%
	9/24/2010	\$20,455,330.21	0.2525%	0.0009%
	9/25/2010	\$20,455,473.67	0.2525%	0.0009%
	9/26/2010	\$20,455,617.13	0.2525%	0.0009%
	9/27/2010	\$19,943,326.49	0.2467%	0.0008%
	9/28/2010	\$20,292,516.79	0.2546%	0.0009%
	9/29/2010	\$22,479,022.87	0.2515%	0.0010%
Thursday	9/30/2010	\$42,822,925.41	0.2329%	0.0017%
	10/1/2010	\$42,913,988.63	0.2433%	0.0018%
	10/2/2010	\$42,914,278.71	0.2433%	0.0018%
	10/3/2010	\$42,914,568.80	0.2433%	0.0018%
	10/4/2010	\$40,820,112.70	0.2396%	0.0017%
	10/5/2010	\$43,227,911.52	0.2333%	0.0017%
	10/6/2010	\$41,470,842.65	0.2308%	0.0016%
	10/7/2010	\$37,661,669.30	0.2229%	0.0014%
	10/8/2010	\$37,647,675.46	0.2188%	0.0014%
	10/9/2010	\$37,647,904.31	0.2188%	0.0014%
	10/10/2010	\$37,648,133.16	0.2188%	0.0014%
	10/11/2010	\$37,648,362.01	0.2188%	0.0014%
	10/12/2010	\$39,796,314.18	0.2075%	0.0014%
	10/13/2010	\$41,214,132.57	0.1983%	0.0014%
	10/14/2010	\$45,767,444.41	0.2021%	0.0016%
	10/15/2010	\$46,902,376.89	0.2048%	0.0016%
	10/16/2010	\$46,902,643.75	0.2048%	0.0016%
	10/17/2010	\$46,902,910.62	0.2048%	0.0016%
	10/18/2010	\$48,459,504.47	0.2083%	0.0017%
	10/19/2010	\$50,654,513.37	0.1955%	0.0017%
	10/20/2010	\$51,761,937.51	0.1901%	0.0017%
	10/21/2010	\$44,647,981.50	0.1889%	0.0014%
	10/22/2010	\$44,401,712.15	0.1980%	0.0015%
	10/23/2010	\$44,401,956.31	0.1980%	0.0015%
	10/24/2010	\$44,402,200.47	0.1980%	0.0015%
	10/25/2010	\$44,784,867.32	0.1823%	0.0014%

Kentucky Power Company
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Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	10/26/2010	\$45,860,347.11	0.1805%	0.0014%
	10/27/2010	\$47,039,362.04	0.1807%	0.0015%
	10/28/2010	\$49,853,739.84	0.1844%	0.0016%
Friday	10/29/2010	\$50,586,821.85	0.1864%	0.0016%
	10/30/2010	\$50,587,083.83	0.1864%	0.0016%
	10/31/2010	\$50,587,345.80	0.1864%	0.0016%
	11/1/2010	\$48,669,703.84	0.2086%	0.0017%
	11/2/2010	\$48,513,099.93	0.2060%	0.0017%
	11/3/2010	\$46,243,672.36	0.2022%	0.0016%
	11/4/2010	\$41,624,723.33	0.1965%	0.0014%
	11/5/2010	\$41,862,011.56	0.2232%	0.0016%
	11/6/2010	\$41,862,271.04	0.2232%	0.0016%
	11/7/2010	\$41,862,530.53	0.2232%	0.0016%
	11/8/2010	\$32,578,858.03	0.2114%	0.0012%
	11/9/2010	\$32,846,850.36	0.2019%	0.0011%
	11/10/2010	\$36,204,370.42	0.1907%	0.0012%
	11/11/2010	\$36,204,562.23	0.1907%	0.0012%
	11/12/2010	\$43,579,855.90	0.1878%	0.0014%
	11/13/2010	\$43,580,083.27	0.1878%	0.0014%
	11/14/2010	\$43,580,310.63	0.1878%	0.0014%
	11/15/2010	\$47,261,991.15	0.1948%	0.0016%
	11/16/2010	\$46,505,812.36	0.1950%	0.0016%
	11/17/2010	\$46,725,466.14	0.1903%	0.0015%
	11/18/2010	\$45,879,738.98	0.1880%	0.0015%
	11/19/2010	\$39,171,737.54	0.1957%	0.0013%
	11/20/2010	\$39,171,950.53	0.1957%	0.0013%
	11/21/2010	\$39,172,163.52	0.1957%	0.0013%
	11/22/2010	\$42,724,756.81	0.1992%	0.0015%
	11/23/2010	\$38,371,962.14	0.2508%	0.0017%
	11/24/2010	\$37,795,492.25	0.4100%	0.0027%
	11/25/2010	\$37,795,922.70	0.4100%	0.0027%
	11/26/2010	\$37,963,644.92	0.3400%	0.0022%
	11/27/2010	\$37,964,003.47	0.3400%	0.0022%
	11/28/2010	\$37,964,362.02	0.3400%	0.0022%
	11/29/2010	\$39,624,123.18	0.1519%	0.0010%
Tuesday	11/30/2010	\$46,413,962.80	0.1509%	0.0012%
	12/1/2010	\$44,063,899.37	0.5222%	0.0040%
	12/2/2010	\$45,524,174.08	0.5209%	0.0041%
	12/3/2010	\$45,469,889.01	0.5016%	0.0039%
	12/4/2010	\$45,470,522.55	0.5016%	0.0039%
	12/5/2010	\$45,471,156.09	0.5016%	0.0039%
	12/6/2010	\$42,228,700.20	0.5032%	0.0036%
	12/7/2010	\$35,806,037.66	0.5093%	0.0031%
	12/8/2010	\$36,443,171.92	0.5117%	0.0032%
	12/9/2010	\$46,314,562.58	0.5186%	0.0041%
	12/10/2010	\$46,911,404.31	0.5186%	0.0042%
	12/11/2010	\$46,912,080.13	0.5186%	0.0042%
	12/12/2010	\$46,912,755.95	0.5186%	0.0042%
	12/13/2010	\$52,524,009.21	0.5186%	0.0047%
	12/14/2010	\$56,907,169.89	0.5186%	0.0051%
	12/15/2010	\$57,415,766.91	0.5186%	0.0051%

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Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	12/16/2010	\$56,404,155.45	0.5216%	0.0051%
	12/17/2010	\$57,062,839.71	0.5216%	0.0051%
	12/18/2010	\$57,063,666.52	0.5216%	0.0051%
	12/19/2010	\$57,064,493.33	0.5216%	0.0051%
	12/20/2010	\$51,169,267.79	0.5324%	0.0047%
	12/21/2010	\$54,476,718.72	0.5327%	0.0050%
	12/22/2010	\$52,922,674.77	0.5327%	0.0048%
	12/23/2010	\$55,691,594.47	0.5327%	0.0051%
	12/24/2010	\$55,960,572.20	0.5327%	0.0051%
	12/25/2010	\$55,961,400.24	0.5327%	0.0051%
	12/26/2010	\$55,962,228.30	0.5327%	0.0051%
	12/27/2010	\$57,413,484.61	0.5327%	0.0053%
	12/28/2010	\$58,809,805.65	0.5327%	0.0054%
	12/29/2010	\$59,670,047.46	0.5327%	0.0055%
	12/30/2010	\$69,598,615.09	0.5189%	0.0062%
Friday	12/31/2010	\$67,059,742.87	0.5189%	0.0060%
	1/1/2011	\$67,060,709.46	0.5189%	0.0011%
	1/2/2011	\$67,060,709.46	0.5189%	0.0011%
	1/3/2011	\$69,403,166.37	0.5277%	0.0011%
	1/4/2011	\$70,422,215.46	0.5152%	0.0011%
	1/5/2011	\$65,325,017.55	0.5205%	0.0010%
	1/6/2011	\$70,244,048.04	0.5205%	0.0011%
	1/7/2011	\$70,970,380.24	0.5205%	0.0011%
	1/8/2011	\$70,971,406.39	0.5205%	0.0011%
	1/9/2011	\$70,972,432.56	0.5205%	0.0011%
	1/10/2011	\$60,823,218.96	0.5339%	0.0010%
	1/11/2011	\$64,500,585.47	0.2170%	0.0004%
	1/12/2011	\$66,513,258.27	0.2082%	0.0004%
	1/13/2011	\$75,923,725.41	0.1955%	0.0005%
	1/14/2011	\$75,074,622.13	0.5331%	0.0012%
	1/15/2011	\$75,075,733.88	0.5331%	0.0012%
	1/16/2011	\$75,076,845.64	0.5331%	0.0012%
	1/17/2011	\$75,077,957.43	0.5331%	0.0012%
	1/18/2011	\$79,482,311.62	0.5298%	0.0013%
	1/19/2011	\$82,203,038.97	0.1570%	0.0004%
	1/20/2011	\$82,503,030.69	0.1526%	0.0004%
	1/21/2011	\$84,479,758.36	0.1436%	0.0004%
	1/22/2011	\$84,480,095.33	0.1436%	0.0004%
	1/23/2011	\$84,480,432.30	0.1436%	0.0004%
	1/24/2011	\$75,952,549.16	0.1528%	0.0004%
	1/25/2011	\$78,218,089.73	0.1638%	0.0004%
	1/26/2011	\$79,836,953.81	0.0571%	0.0001%
	1/27/2011	\$76,037,594.25	0.1872%	0.0004%
	1/28/2011	\$76,561,579.97	0.1995%	0.0005%
	1/29/2011	\$76,562,004.16	0.1995%	0.0005%
	1/30/2011	\$76,562,428.35	0.1995%	0.0005%
Monday	1/31/2011	\$82,537,833.14	0.1926%	0.0005%
	2/1/2011	\$78,501,545.65	0.2011%	0.0005%
	2/2/2011	\$82,967,132.32	0.1928%	0.0005%
	2/3/2011	\$81,334,889.10	0.1870%	0.0005%
	2/4/2011	\$81,934,242.42	0.1742%	0.0004%

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Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	2/5/2011	\$81,934,638.85	0.1742%	0.0004%
	2/6/2011	\$81,935,035.29	0.1742%	0.0004%
	2/7/2011	\$83,674,128.62	0.1722%	0.0004%
	2/8/2011	\$79,228,853.22	0.1754%	0.0004%
	2/9/2011	\$80,688,149.47	0.1774%	0.0004%
	2/10/2011	\$84,579,165.75	0.1779%	0.0005%
	2/11/2011	\$83,753,017.22	0.1779%	0.0005%
	2/12/2011	\$83,753,431.01	0.1779%	0.0005%
	2/13/2011	\$83,753,844.81	0.1779%	0.0005%
	2/14/2011	\$85,687,446.66	0.1779%	0.0005%
	2/15/2011	\$87,731,264.47	0.1786%	0.0005%
	2/16/2011	\$91,304,307.17	0.1806%	0.0005%
	2/17/2011	\$94,315,293.62	0.1838%	0.0005%
	2/18/2011	\$101,238,300.16	0.1838%	0.0006%
	2/19/2011	\$101,238,817.04	0.1838%	0.0006%
	2/20/2011	\$101,239,333.92	0.1838%	0.0006%
	2/21/2011	\$101,239,850.81	0.1838%	0.0006%
	2/22/2011	\$99,314,241.10	0.1782%	0.0005%
	2/23/2011	\$92,255,586.37	0.1794%	0.0005%
	2/24/2011	\$81,631,058.19	0.1892%	0.0005%
	2/25/2011	\$81,297,386.73	0.1603%	0.0004%
	2/26/2011	\$81,297,748.75	0.1603%	0.0004%
	2/27/2011	\$81,298,110.78	0.1603%	0.0004%
Monday	2/28/2011	\$79,284,174.72	0.5593%	0.0014%
	3/1/2011	\$79,211,010.43	0.5323%	0.0013%
	3/2/2011	\$81,955,619.59	0.5323%	0.0013%
	3/3/2011	\$84,306,265.73	0.5320%	0.0014%
	3/4/2011	\$84,329,201.43	0.5087%	0.0013%
	3/5/2011	\$84,330,392.97	0.5087%	0.0013%
	3/6/2011	\$84,331,584.52	0.5087%	0.0013%
	3/7/2011	\$87,382,328.64	0.4962%	0.0013%
	3/8/2011	\$74,759,642.03	0.4824%	0.0011%
	3/9/2011	\$78,771,319.97	0.4798%	0.0012%
	3/10/2011	\$81,628,983.33	0.4658%	0.0012%
	3/11/2011	\$81,824,187.81	0.4534%	0.0011%
	3/12/2011	\$81,825,218.28	0.4534%	0.0011%
	3/13/2011	\$81,826,248.75	0.4534%	0.0011%
	3/14/2011	\$90,404,340.03	0.4534%	0.0013%
	3/15/2011	\$80,707,733.97	0.4534%	0.0011%
	3/16/2011	\$83,440,265.74	0.4481%	0.0012%
	3/17/2011	\$76,888,885.37	0.4417%	0.0010%
	3/18/2011	\$78,111,155.84	0.4514%	0.0011%
	3/19/2011	\$78,112,135.23	0.4514%	0.0011%
	3/20/2011	\$78,113,114.63	0.4514%	0.0011%
	3/21/2011	\$78,511,449.01	0.4514%	0.0011%
	3/22/2011	\$80,367,089.91	0.4514%	0.0011%
	3/23/2011	\$83,127,568.91	0.4494%	0.0012%
	3/24/2011	\$82,263,911.92	0.4496%	0.0011%
	3/25/2011	\$81,521,019.97	0.1722%	0.0004%
	3/26/2011	\$81,521,409.94	0.1722%	0.0004%
	3/27/2011	\$81,521,799.92	0.1722%	0.0004%

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Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	3/28/2011	\$82,257,495.62	0.1710%	0.0004%
	3/29/2011	\$85,134,421.28	0.1807%	0.0005%
	3/30/2011	\$83,006,271.96	0.1745%	0.0004%
Thursday	3/31/2011	\$93,436,878.10	0.1739%	0.0005%
	4/1/2011	\$93,505,513.44	0.4822%	0.0014%
	4/2/2011	\$93,506,765.88	0.4822%	0.0014%
	4/3/2011	\$93,508,018.34	0.4822%	0.0014%
	4/4/2011	\$92,378,082.43	0.2042%	0.0006%
	4/5/2011	\$90,441,838.80	0.1933%	0.0005%
	4/6/2011	\$89,119,601.35	0.1973%	0.0005%
	4/7/2011	\$86,167,065.18	0.1907%	0.0005%
	4/8/2011	\$85,845,216.07	0.1916%	0.0005%
	4/9/2011	\$85,845,672.90	0.1916%	0.0005%
	4/10/2011	\$85,846,129.73	0.1916%	0.0005%
	4/11/2011	\$85,835,428.34	0.1959%	0.0005%
	4/12/2011	\$88,032,310.35	0.1886%	0.0005%
	4/13/2011	\$90,402,062.64	0.1802%	0.0005%
	4/14/2011	\$90,174,992.32	0.1846%	0.0005%
	4/15/2011	\$90,503,131.57	0.1919%	0.0005%
	4/16/2011	\$90,503,613.95	0.1919%	0.0005%
	4/17/2011	\$90,504,096.34	0.1919%	0.0005%
	4/18/2011	\$92,135,605.49	0.1963%	0.0006%
	4/19/2011	\$98,515,032.14	0.1853%	0.0006%
	4/20/2011	\$98,971,055.36	0.1839%	0.0006%
	4/21/2011	\$88,406,414.44	0.1901%	0.0005%
	4/22/2011	\$85,690,964.50	0.1944%	0.0005%
	4/23/2011	\$85,691,427.33	0.1944%	0.0005%
	4/24/2011	\$85,691,890.16	0.1944%	0.0005%
	4/25/2011	\$88,082,587.32	0.1946%	0.0005%
	4/26/2011	\$89,831,780.08	0.1742%	0.0005%
	4/27/2011	\$90,823,639.60	0.1643%	0.0005%
	4/28/2011	\$89,250,263.83	0.1666%	0.0005%
Friday	4/29/2011	\$92,448,625.35	0.1689%	0.0005%
	4/30/2011	\$92,449,059.13	0.1689%	0.0005%
	5/1/2011	\$92,449,492.91	0.1689%	0.0005%
	5/2/2011	\$91,737,178.13	0.1961%	0.0006%
	5/3/2011	\$87,223,914.53	0.1771%	0.0005%
	5/4/2011	\$90,946,004.57	0.1640%	0.0005%
	5/5/2011	\$89,571,989.40	0.1626%	0.0004%
	5/6/2011	\$89,315,741.13	0.1510%	0.0004%
	5/7/2011	\$89,316,115.75	0.1510%	0.0004%
	5/8/2011	\$89,316,490.37	0.1510%	0.0004%
	5/9/2011	\$85,081,765.69	0.1461%	0.0004%
	5/10/2011	\$86,110,016.28	0.1476%	0.0004%
	5/11/2011	\$86,982,146.81	0.1426%	0.0004%
	5/12/2011	\$88,554,087.58	0.1302%	0.0004%
	5/13/2011	\$88,360,216.78	0.1131%	0.0003%
	5/14/2011	\$88,360,494.33	0.1131%	0.0003%
	5/15/2011	\$88,360,771.88	0.1131%	0.0003%
	5/16/2011	\$88,597,783.82	0.1203%	0.0003%
	5/17/2011	\$90,161,642.17	0.1362%	0.0004%

Kentucky Power Company
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Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	5/18/2011	\$92,234,030.42	0.1236%	0.0004%
	5/19/2011	\$95,104,812.67	0.1237%	0.0004%
	5/20/2011	\$94,358,030.89	0.1263%	0.0004%
	5/21/2011	\$94,358,361.91	0.1263%	0.0004%
	5/22/2011	\$94,358,692.93	0.1263%	0.0004%
	5/23/2011	\$107,833,225.12	0.1446%	0.0005%
	5/24/2011	\$110,374,592.70	0.1470%	0.0005%
	5/25/2011	\$105,844,463.18	0.4377%	0.0014%
	5/26/2011	\$96,166,390.25	0.4502%	0.0013%
	5/27/2011	\$95,627,268.30	0.4322%	0.0013%
	5/28/2011	\$95,628,416.36	0.4322%	0.0013%
	5/29/2011	\$95,629,564.44	0.4322%	0.0013%
	5/30/2011	\$95,630,712.53	0.4322%	0.0013%
Tuesday	5/31/2011	\$97,635,959.11	0.4306%	0.0013%
	6/1/2011	\$96,285,233.79	0.4124%	0.0012%
	6/2/2011	\$99,137,217.75	0.4124%	0.0013%
	6/3/2011	\$96,735,805.06	0.4137%	0.0012%
	6/4/2011	\$96,736,916.80	0.4137%	0.0012%
	6/5/2011	\$96,738,028.55	0.4137%	0.0012%
	6/6/2011	\$92,777,704.69	0.4181%	0.0012%
	6/7/2011	\$95,596,409.49	0.4162%	0.0012%
	6/8/2011	\$89,931,389.91	0.4176%	0.0012%
	6/9/2011	\$95,898,495.11	0.4176%	0.0012%
	6/10/2011	\$97,150,662.45	0.4087%	0.0012%
	6/11/2011	\$97,151,765.51	0.4087%	0.0012%
	6/12/2011	\$97,152,868.58	0.4087%	0.0012%
	6/13/2011	\$98,520,837.56	0.4088%	0.0012%
	6/14/2011	\$100,492,166.21	0.4108%	0.0013%
	6/15/2011	\$101,966,218.45	0.4108%	0.0013%
	6/16/2011	\$101,154,233.34	0.4116%	0.0013%
	6/17/2011	\$105,890,678.14	0.4107%	0.0013%
	6/18/2011	\$105,891,886.18	0.4107%	0.0013%
	6/19/2011	\$105,893,094.24	0.4107%	0.0013%
	6/20/2011	\$95,174,100.64	0.4119%	0.0012%
	6/21/2011	\$82,252,774.49	0.4180%	0.0011%
	6/22/2011	\$81,527,544.40	0.4191%	0.0011%
	6/23/2011	\$78,813,184.08	0.4208%	0.0010%
	6/24/2011	\$80,093,989.85	0.4208%	0.0010%
	6/25/2011	\$80,094,926.07	0.4208%	0.0010%
	6/26/2011	\$80,095,862.30	0.4208%	0.0010%
	6/27/2011	\$80,973,930.40	0.4127%	0.0010%
	6/28/2011	\$81,401,830.07	0.4153%	0.0010%
	6/29/2011	\$82,850,385.33	0.4153%	0.0011%
Thursday	6/30/2011	\$85,653,198.18	0.4117%	0.0011%
	7/1/2011	\$83,135,414.04	0.4055%	0.0010%
	7/2/2011	\$83,136,350.36	0.4055%	0.0010%
	7/3/2011	\$83,137,286.70	0.4055%	0.0010%
	7/4/2011	\$83,138,223.04	0.4055%	0.0010%
	7/5/2011	\$81,329,477.63	0.3923%	0.0010%
	7/6/2011	\$79,001,754.64	0.3932%	0.0010%
	7/7/2011	\$80,752,022.96	0.3932%	0.0010%

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	7/8/2011	\$84,339,312.60	0.3945%	0.0010%
	7/9/2011	\$84,340,236.74	0.3945%	0.0010%
	7/10/2011	\$84,341,160.90	0.3945%	0.0010%
	7/11/2011	\$77,287,569.37	0.1203%	0.0003%
	7/12/2011	\$79,009,701.15	0.1155%	0.0003%
	7/13/2011	\$80,615,108.31	0.1173%	0.0003%
	7/14/2011	\$85,305,732.35	0.1124%	0.0003%
	7/15/2011	\$90,779,326.08	0.1115%	0.0003%
	7/16/2011	\$90,779,607.13	0.1115%	0.0003%
	7/17/2011	\$90,779,888.18	0.1115%	0.0003%
	7/18/2011	\$89,209,403.09	0.1217%	0.0003%
	7/19/2011	\$90,492,271.63	0.1184%	0.0003%
	7/20/2011	\$87,444,755.22	0.3946%	0.0011%
	7/21/2011	\$88,510,186.00	0.3949%	0.0011%
	7/22/2011	\$91,301,906.06	0.3970%	0.0011%
	7/23/2011	\$91,302,912.95	0.3970%	0.0011%
	7/24/2011	\$91,303,919.85	0.3970%	0.0011%
	7/25/2011	\$92,997,613.00	0.3970%	0.0011%
	7/26/2011	\$93,064,917.61	0.3998%	0.0011%
	7/27/2011	\$94,235,482.56	0.4022%	0.0012%
	7/28/2011	\$90,838,744.17	0.3946%	0.0011%
Friday	7/29/2011	\$92,334,705.63	0.3794%	0.0011%
	7/30/2011	\$92,335,678.65	0.3794%	0.0011%
	7/31/2011	\$92,336,651.69	0.3794%	0.0011%
	8/1/2011	\$93,970,089.02	0.3823%	0.0011%
	8/2/2011	\$94,435,152.73	0.3812%	0.0011%
	8/3/2011	\$94,884,766.65	0.3843%	0.0011%
	8/4/2011	\$98,464,748.06	0.3843%	0.0012%
	8/5/2011	\$96,628,984.90	0.3803%	0.0011%
	8/6/2011	\$96,630,005.74	0.3803%	0.0011%
	8/7/2011	\$96,631,026.58	0.3803%	0.0011%
	8/8/2011	\$89,696,378.13	0.3817%	0.0011%
	8/9/2011	\$89,516,198.90	0.3841%	0.0011%
	8/10/2011	\$91,515,964.78	0.3875%	0.0011%
	8/11/2011	\$97,793,812.62	0.3875%	0.0012%
	8/12/2011	\$98,284,783.69	0.3883%	0.0012%
	8/13/2011	\$98,285,843.83	0.3883%	0.0012%
	8/14/2011	\$98,286,903.99	0.3883%	0.0012%
	8/15/2011	\$101,899,505.79	0.3883%	0.0012%
	8/16/2011	\$108,895,347.57	0.3876%	0.0013%
	8/17/2011	\$110,403,970.89	0.3863%	0.0013%
	8/18/2011	\$107,790,034.74	0.3876%	0.0013%
	8/19/2011	\$105,097,648.13	0.3910%	0.0013%
	8/20/2011	\$105,098,789.69	0.3910%	0.0013%
	8/21/2011	\$105,099,931.27	0.3910%	0.0013%
	8/22/2011	\$114,115,647.56	0.3888%	0.0014%
	8/23/2011	\$116,677,723.67	0.3890%	0.0014%
	8/24/2011	\$110,632,711.22	0.3913%	0.0013%
	8/25/2011	\$107,037,096.45	0.3913%	0.0013%
	8/26/2011	\$108,202,717.06	0.3843%	0.0013%
	8/27/2011	\$108,203,872.18	0.3843%	0.0013%

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	8/28/2011	\$108,205,027.30	0.3843%	0.0013%
	8/29/2011	\$109,295,696.51	0.3815%	0.0013%
	8/30/2011	\$108,529,223.54	0.3805%	0.0013%
Wednesday	8/31/2011	\$107,657,869.05	0.3819%	0.0013%
	9/1/2011	\$108,458,068.73	0.3682%	0.0012%
	9/2/2011	\$109,356,338.56	0.3661%	0.0012%
	9/3/2011	\$109,357,450.60	0.3661%	0.0012%
	9/4/2011	\$109,358,562.66	0.3661%	0.0012%
	9/5/2011	\$109,359,674.73	0.3661%	0.0012%
	9/6/2011	\$103,924,107.10	0.3583%	0.0011%
	9/7/2011	\$106,387,799.73	0.3631%	0.0012%
	9/8/2011	\$113,694,511.48	0.4055%	0.0014%
	9/9/2011	\$106,104,147.31	0.4084%	0.0013%
	9/10/2011	\$106,105,350.96	0.4084%	0.0013%
	9/11/2011	\$106,106,554.63	0.4084%	0.0013%
	9/12/2011	\$112,629,102.55	0.4045%	0.0014%
	9/13/2011	\$116,251,320.58	0.4064%	0.0015%
	9/14/2011	\$117,472,669.90	0.4064%	0.0015%
	9/15/2011	\$97,099,538.53	0.4092%	0.0012%
	9/16/2011	\$99,522,881.88	0.4140%	0.0013%
	9/17/2011	\$99,524,026.42	0.4140%	0.0013%
	9/18/2011	\$99,525,170.96	0.4140%	0.0013%
	9/19/2011	\$101,044,723.20	0.3998%	0.0012%
	9/20/2011	\$99,457,520.94	0.4057%	0.0012%
	9/21/2011	\$99,079,391.14	0.4057%	0.0012%
	9/22/2011	\$98,533,830.97	0.4057%	0.0012%
	9/23/2011	\$96,620,099.52	0.4057%	0.0012%
	9/24/2011	\$96,621,188.41	0.4057%	0.0012%
	9/25/2011	\$96,622,277.32	0.4057%	0.0012%
	9/26/2011	\$96,905,281.59	0.4057%	0.0012%
	9/27/2011	\$98,894,065.70	0.4058%	0.0012%
	9/28/2011	\$100,471,649.52	0.4176%	0.0013%
	9/29/2011	\$97,731,318.42	0.4160%	0.0013%
Friday	9/30/2011	\$95,669,330.94	0.4159%	0.0012%
	10/1/2011	\$95,670,436.06	0.4159%	0.0012%
	10/2/2011	\$95,671,541.19	0.4159%	0.0012%
	10/3/2011	\$96,787,626.94	0.4132%	0.0012%
	10/4/2011	\$98,920,382.28	0.4149%	0.0013%
	10/5/2011	\$92,865,536.59	0.4140%	0.0012%
	10/6/2011	\$101,471,838.47	0.4108%	0.0013%
	10/7/2011	\$101,784,656.22	0.4127%	0.0013%
	10/8/2011	\$101,785,822.96	0.4127%	0.0013%
	10/9/2011	\$101,786,989.71	0.4127%	0.0013%
	10/10/2011	\$101,788,156.48	0.4127%	0.0013%
	10/11/2011	\$92,058,017.06	0.4083%	0.0012%
	10/12/2011	\$93,080,540.41	0.4104%	0.0012%
	10/13/2011	\$93,086,201.62	0.4119%	0.0012%
	10/14/2011	\$96,005,683.32	0.4154%	0.0012%
	10/15/2011	\$96,006,791.16	0.4154%	0.0012%
	10/16/2011	\$96,007,899.01	0.4154%	0.0012%
	10/17/2011	\$98,232,279.57	0.4159%	0.0013%

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	10/18/2011	\$100,794,967.74	0.4159%	0.0013%
	10/19/2011	\$101,461,653.19	0.4159%	0.0013%
	10/20/2011	\$90,346,178.45	0.4159%	0.0012%
	10/21/2011	\$89,938,689.24	0.4172%	0.0012%
	10/22/2011	\$89,939,731.50	0.4172%	0.0012%
	10/23/2011	\$89,940,773.76	0.4172%	0.0012%
	10/24/2011	\$95,769,858.99	0.4183%	0.0012%
	10/25/2011	\$97,365,264.24	0.4183%	0.0013%
	10/26/2011	\$98,044,849.95	0.4183%	0.0013%
	10/27/2011	\$96,234,981.91	0.4183%	0.0012%
	10/28/2011	\$96,693,676.91	0.4183%	0.0012%
	10/29/2011	\$96,694,800.41	0.4183%	0.0012%
	10/30/2011	\$96,695,923.92	0.4183%	0.0012%
Monday	10/31/2011	\$95,781,220.50	0.4183%	0.0012%
	11/1/2011	\$96,530,796.73	0.4172%	0.0012%
	11/2/2011	\$97,478,988.27	0.4172%	0.0013%
	11/3/2011	\$96,702,617.51	0.4169%	0.0012%
	11/4/2011	\$93,594,566.92	0.4169%	0.0012%
	11/5/2011	\$93,595,650.67	0.4169%	0.0012%
	11/6/2011	\$93,596,734.44	0.4169%	0.0012%
	11/7/2011	\$94,150,138.95	0.4168%	0.0012%
	11/8/2011	\$87,735,375.96	0.4168%	0.0011%
	11/9/2011	\$88,653,530.69	0.4167%	0.0011%
	11/10/2011	\$94,154,485.87	0.4141%	0.0012%
	11/11/2011	\$94,155,569.02	0.4141%	0.0012%
	11/12/2011	\$94,156,652.17	0.4141%	0.0012%
	11/13/2011	\$94,157,735.34	0.4141%	0.0012%
	11/14/2011	\$85,390,941.29	0.4159%	0.0011%
	11/15/2011	\$90,948,313.10	0.4130%	0.0012%
	11/16/2011	\$92,351,605.62	0.4150%	0.0012%
	11/17/2011	\$89,191,949.68	0.4150%	0.0011%
	11/18/2011	\$86,893,840.44	0.4158%	0.0011%
	11/19/2011	\$86,894,844.16	0.4158%	0.0011%
	11/20/2011	\$86,895,847.89	0.4158%	0.0011%
	11/21/2011	\$80,420,614.68	0.4200%	0.0010%
	11/22/2011	\$78,647,210.96	0.4523%	0.0011%
	11/23/2011	\$76,540,095.70	0.4523%	0.0011%
	11/24/2011	\$76,541,057.43	0.4523%	0.0011%
	11/25/2011	\$75,788,930.41	0.4523%	0.0011%
	11/26/2011	\$75,789,882.70	0.4523%	0.0011%
	11/27/2011	\$75,790,835.01	0.4523%	0.0011%
	11/28/2011	\$77,109,374.33	0.4523%	0.0011%
	11/29/2011	\$78,458,117.86	0.4566%	0.0011%
Wednesday	11/30/2011	\$78,463,817.93	0.4566%	0.0011%
	12/1/2011	\$76,446,419.12	0.4561%	0.0011%
	12/2/2011	\$75,482,366.13	0.4501%	0.0010%
	12/3/2011	\$75,483,309.82	0.4501%	0.0010%
	12/4/2011	\$75,484,253.52	0.4501%	0.0010%
	12/5/2011	\$70,145,722.84	0.4491%	0.0010%
	12/6/2011	\$73,042,739.63	0.4593%	0.0010%
	12/7/2011	\$66,087,751.33	0.4669%	0.0010%

Kentucky Power Company
Short Term Investment Balance and Cost Calculation in the AEP Utility Money Pool
Thirty Six Months ended December 31, 2011

Day of Week	Date	S-T Invested Balance	Invested Interest Rate	Weighted Average Invested Interest Rate
	12/8/2011	\$75,725,927.01	0.4684%	0.0011%
	12/9/2011	\$74,681,854.99	0.4678%	0.0011%
	12/10/2011	\$74,682,825.44	0.4678%	0.0011%
	12/11/2011	\$74,683,795.90	0.4678%	0.0011%
	12/12/2011	\$75,821,444.33	0.4667%	0.0011%
	12/13/2011	\$83,172,903.26	0.4699%	0.0012%
	12/14/2011	\$85,935,173.14	0.4699%	0.0012%
	12/15/2011	\$81,211,809.80	0.4687%	0.0012%
	12/16/2011	\$80,995,973.39	0.4669%	0.0012%
	12/17/2011	\$80,997,023.87	0.4669%	0.0012%
	12/18/2011	\$80,998,074.36	0.4669%	0.0012%
	12/19/2011	\$76,544,957.23	0.4670%	0.0011%
	12/20/2011	\$75,919,445.16	0.4695%	0.0011%
	12/21/2011	\$74,300,415.33	0.4866%	0.0011%
	12/22/2011	\$70,987,805.07	0.4884%	0.0011%
	12/23/2011	\$68,344,895.02	0.4884%	0.0010%
	12/24/2011	\$68,345,822.23	0.4884%	0.0010%
	12/25/2011	\$68,346,749.45	0.4884%	0.0010%
	12/26/2011	\$68,347,676.68	0.4884%	0.0010%
	12/27/2011	\$70,055,619.01	0.4900%	0.0011%
	12/28/2011	\$69,472,048.16	0.4909%	0.0011%
	12/29/2011	\$70,763,725.69	0.4949%	0.0011%
Friday	12/30/2011	\$70,331,842.70	0.5054%	0.0011%
	12/31/2011			

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-9(b).

- a. Please provide the Company's buildup of the estimated plant in service for the Big Sandy 2 retrofit projects totaling \$940.3 million. If the Company cannot provide the estimate by month, then provide it at the most detailed level at which it was developed.
- b. Please provide the Company's computation of the AFUDC included in the cost estimate of \$940.3 million, including, but not limited to, the AFUDC base, the weighted average cost of capital applied to the AFUDC base and the total accrued over the construction period.
- c. Please provide the computation of the AFUDC rate used to compute the AFUDC component of the cost estimate.

RESPONSE

a.

SCOPE	2012	2013	2014	2015	2016	2017	Total
BS2 DFGD & FF	\$ 30,323	\$ 98,318	\$ 151,150	\$ 196,191	\$ 128,037		\$ 604,019
BS2 DFGD Associated Work	\$ 5,751	\$ 16,740	\$ 25,295	\$ 50,590	\$ 143,479		\$ 241,856
BS2 DFGD Landfill	\$ 4,960	\$ 11,725	\$ 16,295	\$ 16,295	\$ 13,873	\$ 232	\$ 63,380
BS2 DFGD Landfill Haul Road	\$ 525	\$ 782	\$ 10,141	\$ 16,679	\$ 2,918		\$ 31,045
Totals	\$ 41,560	\$ 127,565	\$ 202,881	\$ 279,755	\$ 288,307	\$ 232	\$ 940,300

- b. Please see page 2 of this response.
- c. The 8.6% rate used in the cost estimate was the Weighted Cost of Capital used in the Strategist model.

WITNESS: Ranie K. Wohnhas

Big Sandy Unit 2 DFGD Project Spend
 Estimated AFUDC Calculation Utilized in Alternative Economic Evaluations (i.e., Initially Assuming No CWIP Treatment)

All Dollars in Millions

DFGD *	Total Project Cost 'As Spent' (Excl. AFUDC)	Cash Cost + Overhead Alloc	Year						TOTAL
			2011	2012	2013	2014	2015	2016	
	1,046		3	36	107	179	261	253	839
		Annual CF %	0.4%	4.3%	12.8%	21.4%	31.1%	30.1%	100%
		(Avg) AFUDC Rate	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	
		AFUDC	0	2	8	21	42	28	101
		Total w/ AFUDC	3.11	38	115	200	303	281	940

Used For Comparative Modeling Purposes Only

* includes DFGD, Associated (Boiler) Projects, FGD Landfill
 ** assumes 6/2016 In-service

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-29. Please confirm that the Company has performed a diligent search for responsive documents and that there are no such documents.

RESPONSE

The Company has performed a diligent search and believes there are no additional documents responsive to KIUC 1-29.

WITNESS: Scott C Weaver

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-30. Please confirm that the Company has performed a diligent search for responsive documents and that there are no such documents other than those provided in the referenced responses to KIUC 1-28 and KPSC 1-48.

RESPONSE

Please see also the Company's response dated February 15, 2012, to Sierra Club 1-69. The Company has performed a diligent search and believes there are no additional documents responsive to KIUC 1-28 and KPSC 1-48.

WITNESS: Scott C Weaver

Kentucky Power Company

REQUEST

Refer to the Company's response to KIUC 1-35. Please confirm that the Company has performed a diligent search for responsive documents and that there are no such documents.

RESPONSE

The Company has performed a diligent search and believes there are no additional documents responsive to KIUC 1-35, other than the documents produced in Response to AG 1-22 and AG 1-23.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Refer to page 9 line 14 through page 11 line 7 of Mr. Wohnhas' Direct Testimony.

- a. Please provide an estimate of the gross plant, accumulated depreciation and related ADIT that will be retired in conjunction with the boiler modifications. Provide all supporting assumptions, computations, and workpapers, including electronic spreadsheets with formulas intact.
- b. Please provide the actual amounts of gross plant, accumulated depreciation, and related ADIT of the boiler and related plant at December 31, 2011 that will be retired and replaced in conjunction with the boiler modifications.
- c. Please provide the average annual depreciation rate and annualized depreciation expense based on the plant in service amounts at December 31, 2011 of the boiler and related plant that will be retired and replaced in conjunction with the boiler modifications.
- d. Please provide an estimate of the property tax expense based on the plant in service amounts at December 31, 2011 of the boiler and related plant that will be retired and replaced in conjunction with the boiler modifications. Provide all supporting assumptions, computations, and workpapers, including electronic spreadsheets with formulas intact.
- e. Please provide the decommissioning and demolition cost of the boiler and related plant that will be retired and replaced in conjunction with the boiler modifications. In addition, please indicate if these costs are included in the Company's cost estimate for the DFGD projects.

Kentucky Power Company

- f. If the Company asserts that it has not or cannot provide the information requested in response to parts (a) through (e) of this question, then provide this information for the “essentially identical work performed on four other 800 mW units on the AEP fleet, namely Amos Units 1&2 and Mitchell Units 1&2,” cited as the basis for the Company’s cost estimates on the boiler “upgrades” at Big Sandy 2 in response to Sierra Club 1-28(a) through (d).

RESPONSE

- a-f. There are no anticipated retirements associated with the boiler modifications.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

If different than those forecasts already in the record, please provide the most recent and up to date forecasts prepared by or for the Company and/or AEP with respect to: coal costs, natural gas costs, wholesale energy prices, and wholesale generation capacity prices. This is a continuing request that should be updated while the record in this case is still open.

RESPONSE

The most recent forecasts prepared by the Company and/or AEP are those that currently exist in the record for this case.

WITNESS: Scott C Weaver

Kentucky Power Company

REQUEST

Assume the Commission approves an environmental surcharge rate increase of approximately 30% as is being requested here.

- a. Provide all studies or analysis prepared by or for the Company regarding the effect on electricity usage by customer class.
- b. Provide all studies or analyses prepared by or for the Company regarding the effect on the local economy.

RESPONSE

- a. The Company's load forecast used in this filing was developed in the summer of 2011. The load forecast assumed electric price increase going forward of 2% above inflation. The 2% assumption was broadly based on yet to be finalized environmental policy implications on customer rates. The exact magnitude and timing were unknown, but the Company believed this assumption was reasonable.

The assumption of 2% above inflation translates to approximately a 48% nominal price increase in the residential and commercial classes and 40% in the industrial class over the period of 2011 to 2020 which more than accounts for the 30% expected environmental surcharge. Therefore, the load forecast shown in Exhibit SCW-1, Table 1-1 has generally factored in the surcharge.

The estimated revenue class electric price elasticities for the Company suggest that residential, commercial, and industrial energy sales will decrease by 2.80%, 4.1% and 6.1%, respectively, for a 30% increase in nominal price of electricity. This assumes that there will be no changes in other factors affecting energy sales.

The load forecast price assumptions are shown in Attachment 1. The analysis of the usage impact of the surcharge is shown in Attachment 2.

- b. The Company does not have existing studies of the impacts of such a price increase on the local economy. However, other parts of the country will also face similar price increases as a result of the EPA rulings. Therefore, the Company's service area would not necessarily be put at a competitive disadvantage when vying for new or retaining existing businesses.

WITNESS: Ranie K Wohnhas

Kentucky Power Company
 September 2011 Load Forecast Input Electricity Prices

Year	Real Price of Electricity (\$/MWh)*			Nominal Price of Electricity (\$/MWh)			CPI (82-84)	PPI (82)
	Residential	Commercial	Industrial	Residential	Commercial	Industrial		
2011	42.3	42.9	32.6	94.2	95.5	64.4	222.7	197.3
2012	43.1	43.7	33.3	98.0	99.4	67.2	227.2	201.8
2013	44.0	44.6	33.9	102.8	104.3	70.2	233.7	206.8
2014	44.8	45.5	34.6	107.6	109.1	73.2	239.9	211.5
2015	45.7	46.4	35.3	112.2	113.8	75.9	245.5	215.2
2016	46.6	47.3	36.0	117.1	118.8	78.7	251.4	218.6
2017	47.5	48.2	36.7	122.3	124.1	81.4	257.5	221.8
2018	48.4	49.1	37.4	127.7	129.6	84.2	263.7	225.1
2019	49.4	50.1	38.1	133.2	135.2	87.1	269.9	228.3
2020	50.3	51.1	38.9	139.0	141.0	90.1	276.1	231.5
2021	51.3	52.1	39.7	144.9	147.0	93.1	282.3	234.8
2022	52.3	53.1	40.4	151.1	153.3	96.3	288.7	238.1
2023	53.3	54.1	41.2	157.4	159.7	99.6	295.1	241.5
2024	54.4	55.2	42.1	164.0	166.4	103.0	301.4	244.9
2025	55.5	56.3	42.9	170.8	173.2	106.5	307.9	248.3
2026	56.5	57.4	43.7	177.8	180.4	110.1	314.4	251.7
2027	57.6	58.5	44.6	185.1	187.8	113.8	321.0	255.2
2028	58.8	59.6	45.5	192.7	195.4	117.7	327.7	258.8
2029	59.9	60.8	46.4	200.5	203.4	121.7	334.5	262.4
2030	61.1	62.0	47.3	208.6	211.7	125.9	341.4	266.1

Compound Growth Rates:

2011-2020	2.0%	2.0%	2.0%	4.4%	4.4%	3.8%	2.4%	1.8%
2011-2030	2.0%	2.0%	2.0%	4.3%	4.3%	3.6%	2.3%	1.6%

Percent Change in Price

2011-2020	19%	19%	19%	48%	48%	40%		
2011-2030	42%	42%	42%	113%	113%	87%		

*Residential & Commercial in 1982-84 \$ and Industrial in 1982 \$

Kentucky Power Company

Analysis of GWh Usage Impact of Environmental Surcharge

	Residential	Commercial	Industrial	Total
2011 GWh	2,643	1,543	3,356	7,542
Electricity Price Elasticities	-0.10	-0.15	-0.22	
Approximate Surcharge Rate Impact (Nominal)	30.0%	30.0%	30.0%	
Approximate Surcharge Rate Impact (Real)	27.5%	27.5%	27.5%	
Percentage Usage Impact of Rate Change (real)	-2.8%	-4.1%	-6.1%	
Approximate GWh Impact	-73	-64	-203	-339

Kentucky Power Company

REQUEST

With regard to the response to KIUC 1-40, please provide a complete description of all of the categories of revenues (e.g., base rate revenues, fuel adjustment revenues, System sales revenues, DSM revenues) included in column (g) each month ("Revenues Subject to ECR Factor"). Also provide a reconciliation of the amount of "ECR Revenues" shown for each rate class for each month, with the product of the "ECR Factor" and the "Revenues Subject to ECR Factor." [For example, the ECR Revenues shown for the Residential class for Jul10 is \$1,395,442. The product of the ECR factor (0.078611) and the Revenues Subject to ECR Factor (\$19,518,732) is \$1,534,387.

RESPONSE

The revenues subject to the ECR factor, column (g), are composed of the categories shown below. These revenues consist of both current month billings at the current ECR factor and prior period billing adjustments at the ECR factor in effect for the billing period being adjusted. Prior period billing adjustments can cover many months, all at different ECR factors.

Attached as page 3 is an example of reconciliation for the month of March 2011. The ECR revenues (column (e)), are divided between current month billings and prior period billing adjustments. Similarly, the revenues subject to the ECR factors (basis amount) is also divided between current month and prior periods. As noted, the large prior period basis amount for the CIP-TOD tariff reflects two large industrial customers' billings for February that were billed in the month of March.

Revenue that make up the "Revenue Subject to the ECR Factor", or basis amount are columns b, d, h, i, j, and k. A brief description of those columns is as follows:

- (b) Base Rate Revenues - calculated using base tariff specific customer, energy, and demand-related rates that are applied to each customer's monthly billing determinants.
- (d) Fuel Adjustment Revenue - calculated as the monthly fuel adjustment clause factor times the customer's monthly energy usage

- (h) System Sales Revenues - calculated as the monthly system sales adjustment clause factor times the customer's monthly energy usage
- (i) DSM Revenue - calculated as the DSM residential or commercial tariff rate times the customer's monthly energy usage
- (j) Capacity Charge Revenue - calculated as the Capacity Charge rates (for either CIP-TOD customers or for all other customers) times the customer's monthly energy usage
- (k) Residential HEAP - 15 cents is applied to each customer's bill
- (k) Net Merger Savings Credit - discontinued with the September 2010 billing, but before that time it was calculated as the monthly net merger savings factor times the customer's monthly energy usage

WITNESS: Lila P Munsey

Kentucky Power Company
 Revenue by Retail Rate Schedule
 By Month for the Period July 2010 through December 2011

March 2011	Total Revenues ¹ (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue ² (i)	Capacity Charge Revenue (j)	Other Revenue			Number of Customers (m)	
												Residential HEAP (k)	Net Merger Savings Credit (k)	kWh Sales (l)		
Residential Service (RS)	\$18,551,137	\$19,304,211	0.0284	\$6,007,542	-\$576,536	-\$49,273	-0.002632	\$19,159,042	-\$343,902	\$340,422	\$205,185	\$21,480	-\$28	\$1	211,533,175	142,865
Small General Service (SGS)	\$1,391,331	\$1,433,923	0.0284	\$335,443	-\$31,741	-\$3,359	-0.002632	\$1,404,396	-\$18,948	\$700	\$11,455	\$0	\$0	\$0	11,011,361	23,140
Medium General Service (MGS)	\$4,373,657	\$4,629,285	0.0284	\$1,231,580	-\$116,877	-\$10,850	-0.002632	\$4,390,689	-\$69,966	\$2,528	\$42,054	\$0	\$0	\$0	43,365,506	7,591
Large General Service (LGS)	\$5,276,954	\$5,482,650	0.0284	\$1,758,270	-\$164,983	-\$11,875	-0.002632	\$5,307,547	-\$98,902	\$2,863	\$60,054	\$0	\$0	\$0	61,910,907	902
Quantity Power (QP)	\$4,476,216	\$4,706,648	0.0284	\$2,064,047	-\$182,733	-\$6,988	-0.002632	\$4,489,246	-\$111,198	\$823	\$70,497	\$0	\$0	\$0	72,677,684	88
Commercial & Industrial Power - Time of Day (CIPTOD)	\$9,958,197	\$9,960,488	0.0284	\$5,274,557	-\$96,574	\$85,703	-0.002632	\$9,872,495	-\$115,299	\$0	\$123,878	\$0	\$0	\$0	185,723,840	18
Municipal Waterworks (MW)	\$31,524	\$32,940	0.0284	\$11,172	-\$1,074	-\$83	-0.002632	\$31,702	-\$641	\$24	\$382	\$0	\$0	\$0	393,367	13
Outdoor Lighting (OL)	\$612,042	\$626,738	0.0284	\$108,519	-\$10,510	-\$1,657	-0.002632	\$625,198	-\$6,197	\$0	\$3,666	\$0	\$3	\$3	3,821,066	0
Street Lighting (SL)	\$120,800	\$123,900	0.0284	\$24,491	-\$2,289	-\$273	-0.002632	\$121,073	-\$1,375	\$0	\$637	\$0	\$0	\$0	862,365	56
Total	\$44,801,657	\$46,210,794		\$16,815,620	-\$1,183,317	\$1,335		\$45,401,388	-\$766,427	\$347,350	\$518,018	\$21,480	-\$25	\$592,096,301	174,673	

¹ Total Revenues (a) are being reported on a billed basis only

² DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

ECR Reconciliation

	Total ECR			Total Basis		
	Curr Mo ECR	Prior Pd ECR	(e)	Curr Mo Basis	Prior Pd Basis	(g)
Residential Service (RS)	-\$49,816	\$542	-\$49,273	\$18,926,911	\$232,131	\$19,159,042
Small General Service (SGS)	-\$3,640	\$281	-\$3,359	\$1,382,929	\$21,467	\$1,404,396
Medium General Service (MGS)	-\$11,469	\$619	-\$10,850	\$4,357,337	\$33,252	\$4,390,689
Large General Service (LGS)	-\$13,718	\$1,843	-\$11,875	\$5,212,082	\$95,465	\$5,307,547
Quantity Power (QP)	-\$11,283	\$4,295	-\$6,988	\$4,290,616	\$198,631	\$4,489,246
Commercial & Industrial Power - Time of Day (CIPTOD)	-\$14,087	\$99,791	\$85,703	\$5,352,359	\$4,520,136	\$9,872,495
Municipal Waterworks (MW)	-\$63	\$0	-\$63	\$31,626	\$76	\$31,702
Outdoor Lighting (OL)	-\$1,635	-\$22	-\$1,657	\$621,109	\$4,089	\$625,198
Street Lighting (SL)	-\$314	\$41	-\$273	\$119,206	\$1,867	\$121,073
	-\$106,054	\$107,389	\$1,335	\$40,294,176	\$5,107,212	\$45,401,388

Prior period \$4.5M adjustment due to late February billing of 2 large industrial customers

Kentucky Power Company

REQUEST

Please reconcile the KY Retail Jurisdiction revenues shown in column (3) of Exhibit LPM-5, page 1 of 1, with the revenues provided in response to KIUC 1-40 (the revenues subject to ECR factor for the 12 months ending August 2011 from KIUC 1-40 do not appear to match the revenues shown in Exhibit LPM-5).

RESPONSE

The revenues provided in response to KIUC 1-40 are monthly billed revenues. The revenues provided in Exhibit LPM-5 are billed and estimated revenues extracted from the monthly environmental surcharge filings, as found on ES Form 3.30, line 1 and ES Form 1.00, line 9.

The billed and estimated revenues are a result of large Commercial and Industrial customer accounts that did not make the cutoff for billing at month end. These accounts are therefore estimated and booked so that the revenues are recorded in the correct month for revenue reporting purposes only. Please see page 2 of this response for a table comparison of the billed vs. billed and estimated revenues.

WITNESS: Lila P Munsey

Kentucky Power Company
 Billed to Billed and Estimated Revenue
 Test Year Ended August 31, 2011

	Billed (1)	Estimated (2)	Reverse Prior Mo Estim (3)	Total Billed & Estimated (4)
Sep-10	45,298,154.39	1,013,747.00	(5,408,578.40)	40,903,322.99
Oct-10	35,188,077.34	4,932,522.00	(1,013,747.00)	39,106,852.34
Nov-10	40,426,420.84	4,995,024.00	(4,932,522.00)	40,488,922.84
Dec-10	55,168,711.21	5,932,642.00	(4,995,024.00)	56,106,329.21
Jan-11	65,718,513.02	6,166,475.00	(5,932,642.00)	65,952,346.02
Feb-11	59,903,240.76	5,018,692.00	(6,166,475.00)	58,755,457.76
Mar-11	44,801,857.05	4,524,304.00	(5,018,692.00)	44,307,469.05
Apr-11	42,419,218.05	4,645,287.00	(4,524,304.00)	42,540,201.05
May-11	40,737,298.46	4,332,976.00	(4,645,287.00)	40,424,987.46
Jun-11	46,265,971.19	5,020,719.00	(4,332,976.00)	46,953,714.19
Jul-11	45,676,518.41	5,878,633.00	(5,020,719.00)	46,534,432.41
Aug-11	53,280,708.84	117,134.00	(5,878,633.00)	47,519,209.84
Total	574,884,689.56	52,578,155.00	(57,869,599.40)	569,593,245.16